JOURNAL

of the

HOUSE OF REPRESENTATIVES

of the

General Assembly

of the

Commonwealth of Kentucky

2002 Regular Session

Volume II

Held in the State Capitol in the City of Frankfort,
at Frankfort, in the Year of Our Lord 2002,
and in the Two Hundred and Tenth
Year of the Commonwealth

Begun on Tuesday, the Eighth Day of January, 2002, and Adjourned
Sine Die on Monday, the Fifteenth Day of April, 2002

Paid for from state funds

FOREWORD

The Kentucky Constitution requires each chamber of the General Assembly to keep a journal as a public accounting of daily legislative activity. The journal is the official record of action.

The Kentucky Revised Statutes require the Legislative Research Commission to compile, edit, correct, and publish the journals of each chamber. This is the House Journal for the Regular Session of the 2002 General Assembly.

Texts of bills, joint resolutions, and concurrent resolutions appear in the journal on the day of their first reading. Texts of simple resolutions appear on the day of either their first reading or adoption. Texts of committee amendments appear when they are reported out of committee and floor amendments are inserted at the end of the day on which they were filed. The appendices include a table of actions on bills and resolutions, a list of elected representatives, roll call votes, and a sponsor and subject index.

JoAnn Paulin, Rhonda Carter, and Shelly Purvis prepared the *House Journal* for the 2002 Regular Session. The edited copy and appendices in this volume reflect the cooperative efforts of the LRC Staff.

Robert S. Sherman
Director

The Capitol
Frankfort, Kentucky
2003

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MONDAY, JANUARY 28, 2002

FOURTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend Wayne Barnett, First Christian Church, Maysville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Ballard moved that the reading of the Journal of January 25, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Introduction of Bills and Resolutions

HB 501, by Representative L. Belcher: AN ACT relating to a tax refund designation for Kentucky Educational Television.

HB 502, by Representative L. Belcher: AN ACT relating to student discipline.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolution:

Agriculture and Small Business: **SB 86**

Appropriations and Revenue: **SB 59**

Education: **HB 491, SB 74**

Health and Welfare: **HB 490**

Judiciary: **HB 486, 487, 492, 493, 495, 497, 499, HJR 86**

Labor and Industry: **HB 488**

Local Government: **HB 489, 494**

Natural Resources and Environment: **HB 496**

State Government: **HB 485, SB 61, 65**

Transportation: **HB 498, 500**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bill has been posted for Committee consideration:

Banking and Insurance: **HB 450**

Calendar

HB 45, HB 189, HB 190, and **HB 231** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

Report of Committees

The Committee on Rules reported that **HB 325, HB 55, HB 86, HB 32, HB 69, HB 254, HB 347, HB 350, HB 393, HB 45,** and **HB 231** have been posted for passage in the Orders of the Day for January 29, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Transportation: **HB 189, HB 190**

Recess

Representative Stumbo moved that the House recess for a Majority Caucus meeting. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications (Continued)

Representative Heleringer moved the adoption of the following **HR 75**:

HR 75, A RESOLUTION honoring Catholic Schools Week, January 27 through February 2, 2002.

WHEREAS, Catholic schools serve as a shining example in the community of how to shape today's students into tomorrow's citizens; and

WHEREAS, Catholic schools are active in academic competitions, locally and regionally; and

WHEREAS, Catholic schools make many contributions to advance the intellectual standards of its students;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. This honorable body offers its congratulations to all Catholic schools in the Commonwealth of Kentucky, and commends students and teachers for their valuable contribution toward the growth and development of their schools and communities.

Section 2. This honorable body wishes success in all future endeavors to all Catholic schools in the Commonwealth of Kentucky.

Section 3. When the House of Representatives adjourns this day, it does so in honor of Catholic Schools Week, January 27 through February 2, 2002.

There being no objection **HR 75** was adopted.

Orders of the Day

HB 376, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Marzian moved the adoption of the Committee Substitute to **HB 376**. Agreed.

Representative Marzian moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 376**. Agreed

Representative Marzian moved that **HB 376**, as amended, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See January 28, 2002, roll call on **HB 376** - Appendix.)

HB 376, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Marzian moved that the vote by which **HB 376**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 302 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Webb moved that **HB 302** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See January 28, 2002, roll call on **HB 302** - Appendix.)

HB 302 was passed and the title agreed to.

Representative Webb moved that the vote by which **HB 302** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 297 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Callahan moved that **HB 297** be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See January 28, 2002, roll call on **HB 297** - Appendix.)

HB 297 was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 297** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 388 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved that **HB 388** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See January 28, 2002, roll call on **HB 388** - Appendix.)

HB 388 was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 388** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 389 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McKee moved that **HB 389** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See January 28, 2002, roll call on **HB 389** - Appendix.)

HB 389 was passed and the title agreed to.

Representative McKee moved that the vote by which **HB 389** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 110, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weaver moved the adoption of the Committee Substitute to **HB 110**. Agreed.

Representative Weaver moved that **HB 110**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See January 28, 2002, roll call on **HB 110** - Appendix.)

HB 110, by way of Committee Substitute, was passed and the title agreed to.

Representative Weaver moved that the vote by which **HB 110**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 348, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nunn moved the adoption of Floor Amendment No. 2 to **HB 348**. Agreed.

Representative J. Turner moved that **HB 348**, as amended, be passed.

Representative S. Lee moved the adoption of Floor Amendment No. 3 to **HB 348**. Agreed.

Floor Amendment No. 3 was rejected by voice vote.

Representative J. Turner moved that **HB 348**, as amended, be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See January 28, 2002, roll call on **HB 348** - Appendix.)

HB 348, as amended, was passed and the title agreed to.

Representative J. Turner moved that the vote by which **HB 348**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative Stumbo moved that the House recess until 6:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Recess

Representative Stumbo moved that the House recess until 8:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the rules be suspended for Introductions of Bills and Resolutions and Report of Committees. Agreed.

Introductions on Bills and Resolutions (Continued)

HB 503, by Representative Barrows: AN ACT relating to charitable community foundations.

HB 504, by Representative Stein: AN ACT relating to motor vehicle equipment.

HB 505, by Representatives Feeley and Pullin: AN ACT relating to postsecondary education.

HB 506, by Representative Feeley: AN ACT relating to historic motor vehicles.

HB 507, by Representatives Moberly, Richards, L. Clark, Callahan, Barrows, and Stumbo: AN ACT relating to appropriations providing financing for the operations, maintenance support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

HB 508, by Representative Gooch: AN ACT relating to the Kentucky nursing incentive scholarship fund.

HB 509, by Representative J. Turner: AN ACT relating to school employees' sick leave.

HB 510, by Representatives Ford and Upchurch: AN ACT relating to cancellation of health insurance policies and contracts.

HB 511, by Representatives Meeks, De. Butler, Jenkins, Nunn, and Nesler: AN ACT relating to alcoholic beverages.

HB 512, by Representatives Meeks, De. Butler, and Jenkins: AN ACT relating to alcoholic beverages.

HB 513, by Representatives Meeks, De. Butler, and Jenkins: AN ACT relating to alcoholic beverages.

HB 514, by Representative Coleman: AN ACT relating to pawned property.

HB 515, by Representative Jenkins: AN ACT relating to crimes and punishments.

HB 516, by Representative Branham: AN ACT relating to venue.

HB 517, by Representatives McKee and Gray: AN ACT relating to sales and use tax exemption for cervid farmers.

HB 518, by Representative Bratcher: AN ACT proposing to create Sections 59a, 59b, and 59c of the Constitution of Kentucky relating to initiative, referendum, and recall procedures.

HB 519, by Representative Geveden: AN ACT relating to volunteer firefighters.

HB 520, by Representative Damron: AN ACT relating to the employees of an urban-county adult misdemeanant probation and work release agency.

HB 521, by Representative Damron: AN ACT relating to cemeteries.

HB 522, by Representatives Miller, Siler, Dw. Butler, L. Belcher, Thompson, Nunn, Hoffman, Horlander, and Walton: AN ACT relating to leaves of absence for teachers.

HJR 87, by Representatives Moberly, Richards, L. Clark, Callahan, and Barrows: A JOINT RESOLUTION relating to the budget process and declaring an emergency.

HR 88, by Representatives Heleringer and Bruce: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Eugene P. Stuart.

HR 89, by Representative Pasley: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Margaret "Peggy" Browne Nicholson.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills have been posted for Committee consideration:

Labor and Industry: **HB 466**

Health and Welfare: **HB 327, HB 421**

Elections, Constitutional Amendments, and Intergovernmental Affairs: **HB 35, HB 378**

Economic Development: **HB 98, HB 166**

Judiciary: **HB 412, HB 431, HB 445, HB 458, HB 460, HB 472, HB 475, HB 479, HB 487, HB 154, HB 155, HB 87, HB 255, HB 141, HB 198, HB 239, HB 336, HB 337, HB 333, HB 356, HB 383**

Motions, Petitions, and Communications (Continued)

Representative Heleringer moved the adoption of the following **HR 88**:

HR 88, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Eugene P. Stuart.

With deepest respect and admiration, we pay homage and tribute to Eugene P. Stuart, our friend and colleague, and we pause in silent reverence for his soul.

WHEREAS, Eugene P. Stuart was born on October 20, 1927, a native of Louisville, Jefferson County, Kentucky, and he traversed these earthly bounds on January 27, 2002; and

WHEREAS, Eugene P. Stuart was the loving son of the late Eugene G. Stuart and Mary Belle Page Stuart, he was the devoted husband of Mary Owen Dannenhold Stuart, and he was the adored father of a son and daughter-in-law, E. Page Stuart and his wife, Melissa Stuart; and

WHEREAS, Eugene P. Stuart graduated from the Kentucky Military Institute and the University of Louisville, after which time he was president of the University of Louisville Associates and a member of the University of Louisville Board of Overseers, and where he was known for his passionate support and dedication to University of Louisville basketball; and

WHEREAS, Eugene P. Stuart was a civic-minded individual and an esteemed member of the Jefferson County community where he was named Young Man of the Year of Louisville and Jefferson County in 1963, he was the previous owner of Stuart Insurance Agency, he was former president of the Louisville Junior Chamber of Commerce, and former director and president of the Louisville Chamber of Commerce; he was past president of the United Cerebral Palsy of Greater Louisville, past president of the Louisville Jaycee Club, past vice president of the Kentucky Sports Hall of Fame, and former vice president and founding member of the Louisville Zoological Commission; and he was a former member of the Hunting Creek Country Club, and an avid boater; and

WHEREAS, Eugene P. Stuart was a dedicated public servant who served his constituents from the Forty-eighth Representative District with pride from 1964 through 1972, where he served as House Minority Whip during the 1970 session and House Minority Caucus Chairman during the 1972 session; and he represented the Thirty-sixth Senatorial District from 1974 through 1990, where he served as Senate Minority Leader and Minority Whip, but he will best be remembered for his encouragement of bipartisanship in the Senate where Democrats outnumbered Republicans, and this true gentleman's voice bridged differences between the two parties, a rare and honorable trait; and he also will be fondly remembered as the founder of the annual Gene Stuart St. Patrick's Day Party, which was always a nonpartisan fellowship among General Assembly members, with the tradition continuing to this day; and

WHEREAS, Eugene P. Stuart served his country with honor in the United States Navy during World War II, and he was a devout member of Calvary Episcopal Church in Louisville where his funeral services will be held on January 30, 2002; and

WHEREAS, the passing of Eugene P. Stuart has left a void that cannot be filled, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Eugene P. Stuart, and extends to his family and many friends its most profound and deepest sympathy.

Section 2. The passion, dedication, intelligence, and social consciousness Eugene P. Stuart brought to this Commonwealth will never be forgotten.

Section 3. When the House of Representatives adjourns this day, it does so in loving memory and honor of Eugene P. Stuart.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mrs. Mary Owen Dannenhold Stuart, 6403 Coventry Court, Prospect, Kentucky 40059.

There being no objection **HR 88** was adopted.

Representative Heleringer moved that a call of the roll be taken to show co-sponsors of **HR 88.**

On the roll call for co-sponsors of **HR 88** the vote was: **Yeas 96**. (See January 28, 2002, roll call to show co-sponsors on **HR 88** - Appendix.)

Representative Stumbo moved that **HB 299** be returned to the Committee on Rules. Agreed.

Representative Stumbo moved to waive the posting requirement on **HB 452**. Agreed.

Representative Draud moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Draud moved that he be recorded as voting "yea" on **HB 348**. Agreed.

Representative Bowling moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bowling moved that he be recorded as voting "yea" on **HB 353**. Agreed.

Representative Marcotte moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Marcotte moved that he be recorded as voting "yea" on **HB 297**. Agreed.

Representative L. Belcher moved that **HB 221** be withdrawn. Agreed.

Representative Jenkins moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Jenkins moved that she be recorded as voting "yea" on **HB 135, HB 309, HB 43, HB 192, HB 213, HB 56, HB 353,** and **HCR 49**. Agreed.

Representative Branham moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Branham moved that he be recorded as voting "yea" on **HB 135, HB 309, HB 43, HB 192, HB 213, HB 56, HB 1, HB 353,** and **HCR 49**. Agreed.

Representative Stein moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Stein moved that she be recorded as voting "yea" on **HB 135, HB 309, HB 43, HB 192, HB 213, HB 1, HB 56, HB 353,** and **HCR 49**. Agreed.

Representative Hoover moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Hoover moved that he be recorded as voting "yea" on **HB 110, HB 297, HB 302, HB 376, HB 388,** and **HB 389**. Agreed.

Representative Meeks moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Meeks moved that he be recorded as voting "yea" on **HB 297, HB 302, HB 376, HB 388, HB 110,** and **HB 389**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 to the Committee Substitute to **HB 161**, by Representative Nunn:

On page 1, line 13 by deleting "***shall***" and inserting "***may***" in lieu thereof;
On page 1, line 17 by deleting "***shall***" and inserting "***may***" in lieu thereof;
On page 1, line 17 by deleting "***, at a minimum,***";
On page 2, line 26 by deleting "***shall***" and inserting "***may***" in lieu thereof;
On page 4, line 15 by deleting "***shall***" and inserting "***may***" in lieu thereof;
On page 5, line 8 by deleting "***shall***" and inserting "***may***" in lieu thereof;
On page 5, line 14 by deleting "***shall***" and inserting "***may***" in lieu thereof;
On page 5, line 18 by deleting "***shall***" and inserting "***may***" in lieu thereof;
On page 6, line 19 by deleting "***shall***" and inserting "***may***" in lieu thereof; and
On page 6, line 23 by deleting "***shall***" and inserting "***may***" in lieu thereof.

Floor Amendment No. 1 to the Committee Substitute to **HCR 26**, by Representative Burch:

On page 2, line 8, by inserting the following after "Representatives":
", one of whom shall be the House co-chair of the Interim Joint Committee on Health and Welfare,".

Floor Amendment No. 2 to **HB 52**, by Representative Vincent:

On page 1, line 4 by deleting same; and
On page 1, line 5, by deleting "***arrest and the right to execute process.***".

Floor Amendment No. 3 to the Committee Substitute to **HB 67**, by Representative Treesh:

On page 1, line 6, after the period, by inserting "***No health department shall dispense any medication or device prescribed for the purpose of causing an abortion as defined in KRS 311.720(1).***".

Floor Amendment No. 4 to **HB 67**, by Representative Treesh:

On page 1, line 6, after the period, by inserting "***No health department shall dispense any medication or device prescribed for the purpose of causing an abortion as defined in KRS 311.720(1).***".

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 20, Representative Nelson

HB 39, Representative Ford

HB 41, Representative Branham

HB 67, Representative L. Belcher

HB 110, Representative Horlander

HB 140, Representative Nelson

HB 211, Representative Crenshaw

HB 257, Representative Branham

HB 286, Representative Horlander

HB 287, Representative Horlander

HB 288, Representative Horlander

HB 289, Representative Horlander

HB 295, Representative Bratcher

HB 348, Representative Crenshaw

HB 380, Representative Bather

HB 388, Representatives Buckingham and Nelson

HB 395, Representative Bratcher

HB 403, Representative Branham

HB 406, Representative Branham

HB 447, Representative L. Belcher

HB 458, Representative Branham

HB 469, Representative Collins

HB 487, Representative Crenshaw

HB 495, Representative Branham

HB 516, Representative Nelson

HCR 19, Representative Nelson.

Announcements

The following meetings were announced:

Majority Caucus: upon recess, Supreme Court Chambers

Natural Resources and Environment: Tuesday, January 29, 2002, 8:30 a.m., Room 131

Labor and Industry: Tuesday, January 29, 2002, noon, Room 125

Minority Caucus: upon adjournment, Room 316

Appropriations and Revenue: Tuesday, January 29, 2002, 10:00 a.m., Room 129

Adjournment

Representative Stumbo moved that when the House adjourns, it does so by voice vote. Agreed.

Representative Stumbo moved that the House adjourn until 10:00 a.m., on Tuesday January 29, 2002.

The motion that the House adjourn until 10:00 a.m., Tuesday January 29, 2002, was adopted by voice vote.

TUESDAY, JANUARY 29, 2002

FIFTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend Ron Maharrey, McKee Baptist Church, McKee, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Ballard moved that the reading of the Journal of January 28, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Introduction of Bills and Resolutions

HB 523, by Representatives Vincent and Damron: AN ACT relating to vital records.

HR 90, by Representatives Marzian and Miller: A RESOLUTION declaring February 1, 2002, as "Safe Return Day" for individuals with Alzheimer's Disease in the Commonwealth of Kentucky.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 501, 507, 517, HJR 87**

Banking and Insurance: **HB 510, 514**

Education: **HB 502, 505, 509, 522**

Elections, Constitutional Amendments and Intergovernmental Affairs: **HB 518**

Health and Welfare: **HB 508**

Judiciary: **HB 515, 516**

Licensing and Occupations: **HB 511, 512, 513, 521**

Local Government: **HB 503, 519, 520**

Transportation: **HB 504, 506**

House Floor: **HR 89**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bill has been posted for Committee consideration:

Labor and Industry: **HB 488**

Motions, Petitions, and Communications

Representative Graham moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Graham moved the adoption of the following **Legislative Citation No. 22**.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and honors the Frankfort Rotary Club and Rotary International as members representing this notable organization gather to witness a day of Regular Session of the 2002 Kentucky General Assembly. Further, this extraordinary organization is afforded the deepest gratitude for their immense and valuable work to develop and support the Polio Plus Program, a humanitarian effort which, in cooperation with the United Nations World Health Organization, the U.S. Centers for Disease Control and the United Nations Children's Fund, seeks to eliminate the terrible disease, polio. The success of this program is demonstrated through the prevention of over 500,000 cases of polio each year. The members of this august body are pleased to join Representative Gippy Graham, Representative Joe Barrows and Representative Jack L. Coleman in applauding the extraordinary work of the Rotary Club and in extending to them a sincere welcome to the Chambers of the Kentucky House of Representatives. Done in Frankfort, Kentucky, this twenty-ninth day of January, in the year two thousand and two.

Legislative Citation No. 22 was adopted without objection.

Representative Stumbo moved that the rules be suspended to allow Committees to meet upon Recess. Agreed.

Recess

Representative Stumbo moved to recess until 12:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Announcing passage of: **SB 2, 89, 90,** and **125.** (12:15 p.m.)

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for Introduction of Bills and Resolutions and a Committees Report. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 524, by Representative Dw. Butler: AN ACT relating to domestic relations.

HB 525, by Representatives Richards, L. Clark, Callahan, Moberly, J. Lee, and Geveden: AN ACT relating to development of science, technology, and business.

HB 526, by Representative Richards: AN ACT relating to the unified prosecutorial system.

HB 527, by Representatives Comer and T. Turner: AN ACT relating to income tax credits.

HB 528, by Representative Treesh: AN ACT relating to the Education Professional Standards Board.

HR 91, by Representative Burch: A RESOLUTION adjourning the House of Representatives in honor of the American Cancer Society.

Report of Committees

The Committee on Seniors, Military Affairs and Public Safety reported **HB 152** with Committee Substitute attached thereto, **HB 258** with Committee Substitute and Committee Amendment attached thereto, and **HB 320** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 152, AN ACT relating to manufactured housing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 227.550 is amended to read as follows:

As used in this section to KRS 227.660, 227.990, and 227.992, unless the context requires a different definition:

(1) "Board" means the Manufactured Home Certification and Licensure Board or the Recreational Vehicle Certification and Licensure Board.

(2) "Class A seal" means a device or insignia issued by the office to indicate compliance with the standards, rules, and regulations established by the office or the board for recreational vehicles.

(3) "Class B seal" means a seal issued pursuant to subsection (3) of KRS 227.600.

(4) "Dealer" means any person,~~[other than a manufacturer, as defined herein,]~~ firm, or corporation, who sells or offers for sale three (3) or more manufactured homes, mobile homes, or recreational vehicles in any consecutive twelve (12) month

period. ***The term "dealer" shall not include:***

(a) A manufacturer, as defined in this section; or

(b) Any bank, trust company, or lending institution that is subject to state or federal regulation, with regard to its disposition of repossessed manufactured housing.

(5) "Established place of business" means a fixed and permanent place of business in this state, including an office building and hard surface lot of suitable character and adequate facilities and qualified personnel, for the purpose of performing the functional business and duties of a dealer, which shall include the books, records, files, and equipment necessary to properly conduct such business, or a building having sufficient space therein in which the functional duties of a dealer may be performed. The place of business shall not consist of a residence, tent, temporary stand, or open lot. It shall display a suitable sign identifying the dealer and his business.

(6) "Federal act" means the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. secs. 5401 et seq., as amended, and rules and regulations issued thereunder.

(7) "Manufactured home" means a single-family residential dwelling constructed in accordance with the federal act, manufactured after June 15, 1976, and designed to be used as a single-family residential dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. The manufactured home may also be used as a place of business, profession, or trade by the owner, the lessee, or the assigns of the owner or lessee and may comprise an integral unit or condominium structure. Buildings the construction of which is not preempted by the federal act are subject to building code requirements of KRS Chapter 198B.

(8) "Manufactured housing" means manufactured homes, mobile homes, recreational vehicles, mobile office or commercial units, add-a-rooms, or cabanas.

(9) "Manufacturer" means any person who manufactures manufactured homes or recreational vehicles and sells to Kentucky dealers.

(10) "Mobile home" means a structure manufactured prior to June 15, 1976, which was not required to be constructed in accordance with the federal act, which is transportable in one (1) or more sections, which, in the traveling mode, is eight (8) body feet or more in width and forty (40) body feet or more in length, or, when erected on site, is three hundred twenty (320) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.

(11) "Office" means the office of the state fire marshal.

(12) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. It shall include recreational vehicles which are regulated as to length, width, and registration by KRS Chapter 186. The basic entities are: Travel trailer, camping trailer, truck camper, motor home, and park vehicle.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck campers: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pickup truck.

(d) Park vehicle: A vehicle which:

1. Is built on a single chassis mounted on wheels;

2. Is primarily designed as temporary living quarters for seasonal or destination camping and which may be connected to utilities necessary for operation of installed fixtures and appliances;

3. Has a gross trailer area not exceeding four hundred (400) square feet in the set-up mode;

4. Has a gross trailer area not less than two hundred forty (240) square feet and is certified by the manufacturer as complying with ANSI A119.5, Park Vehicles.

(e) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

(13) "Secretary" means the secretary of the Federal Department of Housing and Urban Development.

(14) "ANSI" means the American National Standards Institute.

The Committee Substitute to **HB 152** is as follows:

HB 152, AN ACT relating to manufactured housing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 227.550 is amended to read as follows:

As used in this section to KRS 227.660, 227.990, and 227.992, unless the context requires a different definition:

(1) "Board" means the Manufactured Home Certification and Licensure Board or the Recreational Vehicle Certification and Licensure Board.

(2) "Class A seal" means a device or insignia issued by the office to indicate compliance with the standards, rules, and regulations established by the office or the board for recreational vehicles.

(3) "Class B seal" means a seal issued pursuant to subsection (3) of KRS 227.600.

(4) "Dealer" means any person,~~[other than a manufacturer, as defined herein,]~~ firm, or corporation, who sells or offers for sale three (3) or more manufactured homes, mobile homes, or recreational vehicles in any consecutive twelve (12) month period. ***The term "dealer" shall not include:***

(a) A manufacturer, as defined in this section;

(b) Any bank, trust company, or lending institution that is subject to state or federal regulation, with regard to the disposition of its own repossessed manufactured housing; or

(c) A licensed real estate agent who acts as a negotiator between an owner and a prospective purchaser and does not acquire ownership or possession for resale purposes of three (3) or more manufactured homes in any consecutive twelve (12) month period.

(5) "Established place of business" means a fixed and permanent place of business in this state, including an office building and hard surface lot of suitable character and adequate facilities and qualified personnel, for the purpose of performing the functional business and duties of a dealer, which shall include the books, records, files, and equipment necessary to properly conduct such business, or a building having sufficient space therein in which the functional duties of a dealer may be performed. The place of business shall not consist of a residence, tent, temporary stand, or open lot. It shall display a suitable sign identifying the dealer and his business.

(6) "Federal act" means the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. secs. 5401 et seq., as amended, and rules and regulations issued thereunder.

(7) "Manufactured home" means a single-family residential dwelling constructed in accordance with the federal act, manufactured after June 15, 1976, and designed to be used as a single-family residential dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. The manufactured home may also be used as a place of business, profession, or trade by the owner, the lessee, or the assigns of the owner or lessee and may comprise an integral unit or condominium structure. Buildings the construction of which is not preempted by the federal act are subject to building code requirements of KRS Chapter 198B.

(8) "Manufactured housing" means manufactured homes, mobile homes, recreational vehicles, mobile office or commercial units, add-a-rooms, or cabanas.

(9) "Manufacturer" means any person who manufactures manufactured homes or recreational vehicles and sells to Kentucky dealers.

(10) "Mobile home" means a structure manufactured prior to June 15, 1976, which was not required to be constructed in accordance with the federal act, which is transportable in one (1) or more sections, which, in the traveling mode, is eight (8) body feet or more in width and forty (40) body feet or more in length, or, when erected on site, is three hundred twenty (320) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.

(11) "Office" means the office of the state fire marshal.

(12) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. It shall include recreational vehicles which are regulated as to length, width, and registration by KRS Chapter 186. The basic entities are: Travel trailer, camping trailer, truck camper, motor home, and park vehicle.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck campers: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pickup truck.

(d) Park vehicle: A vehicle which:

1. Is built on a single chassis mounted on wheels;
2. Is primarily designed as temporary living quarters for seasonal or destination camping and which may be connected to utilities necessary for operation of installed fixtures and appliances;
3. Has a gross trailer area not exceeding four hundred (400) square feet in the set-up mode;
4. Has a gross trailer area not less than two hundred forty (240) square feet and is certified by the manufacturer as complying with ANSI A119.5, Park Vehicles.

(e) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

(13) "Secretary" means the secretary of the Federal Department of Housing and Urban Development.

(14) "ANSI" means the American National Standards Institute.

HB 258, AN ACT relating to the Department of Military Affairs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Antiterrorism Act of 2002.

SECTION 2. A NEW SECTION OF KRS CHAPTER 36 IS CREATED TO READ AS FOLLOWS:

(1) The Office for Security Coordination is hereby created in the Department of Military Affairs. The office shall be headed by an Executive Director who shall be appointed by the Governor upon the recommendation of the Adjutant General.

(2) The Office for Security Coordination shall coordinate a comprehensive statewide strategy to secure the Commonwealth of Kentucky from terrorist threats or attacks. The office shall coordinate the executive branch's efforts to detect, prepare for, prevent, protect against, respond to, and recover from terrorist attacks within the Commonwealth.

Section 3. KRS 36.010 is amended to read as follows:

The Department of Military Affairs shall be attached to the Office of the Governor, have charge of and be responsible to the Governor for the proper functioning of the Kentucky National Guard, militia, and all other military or naval matters of the state, and shall consist of the following offices and divisions:

(1) Office of Management and Administration, containing the:

(a) Division of Administrative Services;

(b) Division of Facilities;

(c) Bluegrass Station Division;

(d) Division of Air Transport; and

(e) Logistics Operations Division;

(2) Division of Emergency Management;

(3) Office of the Chief of Staff for Federal Army Guard;

(4) Office of the Chief of Staff for Federal Air Guard;

(5) *Office for Security Coordination;*

(6) Kentucky Guard Youth Challenge Division; and

(7)[~~(6)~~] Kentucky Civil Air Patrol.

In order to promote greater efficiency, economy, and improved administration, the divisional structure of the Department of Military Affairs may be changed, redesignated, or reorganized in accordance with KRS Chapter 12. Notwithstanding KRS Chapter 12, the department's attachment to the Office of Governor as a separate organizational unit not attached to any cabinet shall not be changed except by action of the General Assembly.

Section 4. KRS 39A.050 is amended to read as follows:

(1) The Division of Emergency Management shall coordinate for the Governor all matters pertaining to the comprehensive emergency management program and disaster and emergency response of the Commonwealth. The division shall be the executive branch agency of state government having primary jurisdiction, responsibility, and authority for the planning and execution of disaster and emergency assessment, mitigation, preparedness, response, and recovery for the Commonwealth; the coordination of all disaster and emergency response by and between all state agencies, all agencies of city, county, and urban-county or charter county government, all local entities, and all political subdivisions of the Commonwealth for an emergency, declared emergency, disaster, or catastrophe as contemplated in KRS 39A.010, 39A.020, or 39A.030; the coordination of, and liaison with, related or concerned federal government agencies, elected officials of other states, private organizations or private sector companies dealing with disaster and emergency response; the coordination of all recovery operations and mitigation initiatives subsequent to disasters or emergencies; and the coordination of all public information activities regarding state government disaster and emergency response operations.

(2) The Division of Emergency Management shall have and exercise the following powers, authorities, and duties:

(a) To develop, administer, and maintain a statewide comprehensive emergency management program for the Commonwealth, and through it an integrated emergency management system for the disaster and emergency response of the Commonwealth, which shall be coordinated with the emergency management programs, and other related public safety, emergency response, mitigation, or disaster recovery programs, of all appropriate federal government agencies including the Federal Emergency Management Agency, ***the Office of Homeland Security, the State Department, the Federal Aviation Administration, the Centers for Disease Control and Prevention,*** the Department of Transportation, the Environmental Protection Agency, the Occupational Safety and Health Administration, the Department of Defense, the National Oceanic and Atmospheric Administration, the Department of Justice, the Bureau of Alcohol, Tobacco, and Firearms, the National Transportation Safety Board, the Chemical Safety and Hazard Investigation Board, the Army Corps of Engineers, the National Security Council, the Department of Health and Human Services, the Federal Railroad Administration, the United States Geological Survey, the Department of Energy, the Nuclear Regulatory Commission, the Department of Agriculture, the Department of Housing and Urban Development, the American Red Cross, the other states, and other appropriate public or private agencies, to the fullest appropriate extent;

(b) To coordinate the development, implementation, and maintenance of comprehensive emergency management programs by local emergency management agencies in the cities, counties, and urban-county or charter county governments of the Commonwealth to ensure that all such programs, agencies, and organizations are organized, administered, and operated as functional components of the integrated emergency management system of the Commonwealth;

(c) To develop and maintain a comprehensive, risk-based, all-hazards disaster and emergency response plan entitled "Kentucky Emergency Operations Plan," the provisions of which shall establish the organizational structure to be utilized by state government for managing disaster and emergency response, and set forth the policies, procedures, and guidelines for the coordination and execution of all disaster and emergency response for an emergency, declared emergency, disaster, or catastrophe in the Commonwealth. The Kentucky Emergency Operations Plan shall be submitted to the Governor for approval when the Governor assumes office following each gubernatorial election, or at other times as the director deems appropriate. The Governor shall provide written approval of the Kentucky Emergency Operations Plan through issuance of an executive order and the division shall file a copy of the executive order with the Legislative Research Commission. The Kentucky Emergency Operations Plan shall be the primary strategic disaster and emergency response planning component of the integrated emergency management system of the Commonwealth, and shall be utilized and followed by all state agencies, all local government agencies, all local public agencies or entities, and all other political subdivisions of the Commonwealth which may be involved in disaster and emergency response in the Commonwealth. The Kentucky Emergency Operations Plan shall be updated by the division not less than annually;

(d) To maintain and operate the State Emergency Operations Center facility, which shall be the official and primary state government twenty-four (24) hour warning point, communications, and command center, from which the Governor, cabinet secretaries, department heads, and other state agency officials can, at any time, rapidly, adequately, and effectively manage the disaster and emergency response of the Commonwealth. The State Emergency Operations Center facility shall be the primary state direction and control component of the integrated emergency management system of the Commonwealth for the coordination of all disaster and emergency response in the Commonwealth;

(e) To develop, monitor, and operate, on a twenty-four (24) hour per day basis, the appropriate alerting or warning systems, public safety telecommunications systems or radio networks; any state trunked, fiber, or interactive communication systems; computer, fax, other telecommunications or information networks; and systems needed for communication and coordination with all necessary or appropriate federal, state, or local public safety, law enforcement, emergency management, or other disaster and emergency response agencies, and state or local dispatch centers in the Commonwealth, and other appropriate interests, and through these agencies and systems to receive or disseminate emergency information, or to receive timely notification of, and continual assessment of, all threatened or actual emergency incidents or disaster situations occurring anywhere in or near the Commonwealth;

(f) To immediately notify the Governor and the Adjutant General, in the event of any major emergency incidents or disaster occurrences, or the threatened or impending occurrence of any of these events, and to keep the Governor and the Adjutant General informed of all actions being taken in response to these events;

(g) To respond to the scenes of emergencies or disasters, or their threatened or impending occurrence and to directly and immediately investigate, analyze, and assess the nature and seriousness of these situations; to convene meetings, gather information, conduct briefings, and evaluate ongoing emergency response activities; take actions to execute the appropriate provisions of the Kentucky Emergency Operations Plan; coordinate the establishment and operation of a state incident management system; establish or manage sub-state or area emergency operations centers, or on-scene command posts; and fully expedite and coordinate the disaster and emergency response of the Commonwealth;

(h) To establish and operate area field offices of the division, each office to be headed by an area manager, responsible for administering the policies, plans, programs, and duties of the division in specific geographic areas of the Commonwealth, including the coordination of comprehensive emergency management programs developed by the cities, counties, urban-county, or charter county governments in the areas;

(i) To provide funds to the cities, counties, and urban-county or charter county governments of the Commonwealth to support the development, administration, operation, and maintenance of local emergency management agencies created pursuant to KRS Chapters 39A to 39F;

(j) To require the regular submission of program administration data, records, materials, reports, or documents from local emergency management agencies as may be necessary and sufficient to conduct performance reviews and assessments to ensure compliance with all state or federal funding and program requirements, and to ensure local program compatibility and consistency with the mission, goals, and objectives of the comprehensive emergency management program and integrated emergency management system of the Commonwealth;

(k) To ascertain the requirements of the Commonwealth and its cities and counties for emergency resources and the necessities of life in the event of disaster or emergency; institute an emergency resource management plan and procure emergency supplies, materials, and equipment; and use or employ in time of emergency any of the property, services, and resources of state or local government in the Commonwealth for the purposes set forth in KRS Chapters 39A to 39F;

(l) To institute public information and education programs, emergency management training programs, and exercise programs to test and evaluate emergency operations plans and disaster and emergency response and recovery capabilities;[~~ and~~]

(m) ***To assess the threat of and the Commonwealth's capacity for responding to acts of war or terrorism, including but not limited to agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents;***

(n) ***To develop a statewide plan and needs assessment for responding to acts of war or terrorism, including but not limited to agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents;***

(o) ***Develop a comprehensive strategy addressing how state and federal funds and other U.S. Department of Justice assistance will be allocated within the state to purchase specialized equipment required to respond to terrorist incidents effectively and safely; and***

(p) ***Establish as a goal to exceed the minimum requirements established by the U.S. Department of Justice, under congressional direction, for state and local governments receiving assistance needed to enhance their capabilities to respond to terrorist attacks. This goal is established in order for the Commonwealth to emerge as a preeminent national leader in preparation and training to address terrorist incidents involving weapons of mass destruction; and***

(q) To promulgate administrative regulations to carry out the provisions of KRS Chapters 39A to 39F.

Section 5. KRS 39A.070 is amended to read as follows:

The director, with the approval of the Adjutant General, shall exercise the following powers, responsibilities, and duties:

(1) To represent the Governor on all matters pertaining to the comprehensive emergency management program and the disaster and emergency response of the Commonwealth;

(2) To coordinate the development of a statewide comprehensive emergency management program, and through it, an integrated emergency management system for the disaster and emergency response of the Commonwealth;

(3) To promulgate administrative regulations and issue orders, directives, standards, rules, procedures, guidance, or recommended practices necessary to coordinate the development, administration, organization, operation, implementation, and maintenance of the statewide comprehensive emergency management program and the integrated emergency management system of the Commonwealth;

(4) To coordinate the development of comprehensive emergency management programs by the cities, counties, and urban-

county or charter county governments as functional components of the integrated emergency management system of the Commonwealth;

(5) To supervise the development and maintenance of the Kentucky Emergency Operations Plan, and to review and give concurrence to local emergency operations plans required pursuant to KRS Chapters 39A to 39F;

(6) To coordinate the comprehensive emergency management program of the Commonwealth with the emergency management or other emergency response-related programs of the federal government, and of other states, to the fullest appropriate extent;

(7) To advise the Governor and the Adjutant General immediately of the occurrence or threatened or impending occurrence of any disaster or emergency, and to recommend to the Governor any emergency actions, written orders, emergency powers, or executive orders that the Governor should execute;

(8) To serve as the Governor's primary liaison with local officials in the event of the occurrence, or threatened or impending occurrence, of any disaster or emergency in the cities, counties, urban-counties, or charter counties of the Commonwealth;

(9) To take any other preparedness or response actions deemed necessary for adequate response to a disaster or emergency situation to include: requesting increased readiness activities by state or local agencies in advance of an actual disaster or emergency; requesting implementation of local emergency operations plans or the activation of local emergency operations centers; requesting reports from state or local agencies regarding emergency situations, damage assessments, or the taking of emergency response actions; and requesting the mobilization or deployment of any trained and equipped forces of state or local government for the disaster and emergency response purposes set forth in KRS Chapters 39A to 39F;

(10) To request and utilize the personnel, equipment, services, and facilities of existing officers and agencies of the Commonwealth and of all political subdivisions and special districts. All these officers and agencies shall fully cooperate with and extend their resources to the director as requested to the extent that local public safety is not unreasonably compromised;

(11) To employ measures and give directions to the state or local boards of health as necessary for the purpose of securing compliance with the provisions of KRS Chapters 39A to 39F, or with the findings or recommendations of the boards of health, because of conditions arising from disasters, emergency situations, national security emergencies, or the threat thereof;

(12) To request and utilize the services of state and local law enforcement officers for the purpose of securing compliance with the provisions of KRS Chapters 39A to 39F, or any order of the Governor pertaining to disaster and emergency response;

(13) On behalf of this Commonwealth, with the approval of the Governor or act of the General Assembly, to enter into reciprocal aid agreements or compacts with other states and the federal government, either on a statewide, local, county, or city basis, or with other states or a province of a foreign country. The mutual aid agreements shall be limited to the furnishing or exchange of food, clothing, medicine, and other supplies; engineering services; emergency housing; police services; national guard personnel and resources while under the control of the state; health, medical, and related services; firefighting; rescue; search and rescue or recovery; urban search and rescue; hazardous materials response services, transportation and construction services and equipment; personnel necessary to provide or conduct these services and other supplies, equipment, facilities, personnel, and services as needed; the reimbursement of costs and expenses for equipment, supplies, personnel, and similar items for mobile support units, firefighting, search and rescue, and police units, and health units; and on the terms and conditions deemed necessary;

(14) To sponsor and develop mutual aid plans and agreements among the urban-county or charter county governments, counties, cities, and other political subdivisions and special districts of the Commonwealth, similar to the mutual aid arrangements with other states referred to in subsection (13) of this section;

(15) To procure motor vehicles, radio and telecommunications equipment, protective clothing, safety equipment, and other necessary supplies and materials to meet the emergency response, operational, and administrative needs of the division;

(16) To identify deficiencies existing in the emergency management program organization, facilities, and capabilities of the Commonwealth, including but not limited to: personnel and administrative resources; state, sub-state, area, or local emergency operations centers; mobile command posts; emergency telecommunications and computer systems; alerting and warning systems; stockpiles of critical resources; or any other necessary elements, and to recommend to the Adjutant General, for consideration by the Governor or the General Assembly or other appropriate funding authority, the administrative or operational funding requirements, and long-range capital construction or improvement projects needed to meet the emergency management infrastructure needs of the Commonwealth;

(17) To serve as the state coordinating officer and notify the Governor of the appropriations necessary to fund the expected emergency operational or response costs of the division, and the Commonwealth's share of the grants provided by Pub.L.No. 93-288, Title V, Federal Disaster Assistance Programs as amended by Pub.L.No. 100-707, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, or successor Acts or Titles, and further, take action necessary to ensure entitlement to all other federal relief or assistance programs;

(18) To cooperate with the President of the United States, the Federal Emergency Management Agency, and other appropriate federal offices and agencies, and the offices and agencies of other states in matters pertaining to the comprehensive emergency management program of the Commonwealth and nation; and in connection with these, to take any measures

considered necessary to implement any request of the President and the appropriate federal offices and agencies, for any action requiring effective disaster and emergency response, including the direction or control and mobilization of disaster and emergency response forces; tests and exercises, warnings, and signals for drills or other emergency response activities and the mechanical devices to be used in connection with these; the shutting off of water mains, gas mains, electric power connections, and the suspension of all other utility services; the conduct of civilians and the movement and cessation of movement of pedestrians and vehicular traffic during, prior, and subsequent to a drill, emergency, declared emergency or disaster; public meetings or gatherings; and the evacuation and sheltering of the civilian population;~~[and]~~

(19) ***To develop a statewide plan and needs assessment for responding to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents; and***

(20) To delegate any authority vested in the director under KRS Chapters 39A to 39F and to provide for the subdelegation of any such authority.

SECTION 6. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO READ AS FOLLOWS:

The Adjutant General, as executive head of the Department of Military Affairs and the Division of Emergency Management, utilizing federal funds and existing agency funds, shall:

(1) Establish and chair an interagency working group comprised of state and private agencies to help identify risks and needs and make a complete assessment of the preparedness of the Commonwealth to respond to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents.

(2) Collaborate with state and participating private agencies to submit a written preliminary report prior to December 31, 2002, to the Governor, the Legislative Research Commission and the Interim Joint Committee on Seniors, Military Affairs, and Public Safety regarding the findings of the assessment of the preparedness of the Commonwealth to respond to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, biological, or chemical agents;

(3) Develop and implement statewide strategies to respond to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents based upon the information obtained in the needs assessment;

(4) Provide information explaining how individuals and private organizations, including volunteer and religious organizations, can best prepare for and respond to incidents contemplated by this section and to other threatened, impending, or declared emergencies and whom to contact should they desire to volunteer help or services during such an emergency. The program shall identify and encourage these private organizations to specifically commit to provide food, shelter, personnel, equipment, materials, consultation and advice, or any other services needed to respond to these incidents; and

(5) Annually assess and update the capability for readiness specified in this section, subject to the continued availability of federal and agency funds. The assessment shall identify the priority of needs, areas of improvement, and the overall progress made in attaining the goals and needs identified in the initial study and in its annual report. The report shall be submitted to the parties specified in subsection (2) of this section not later than December 31 of each year.

Section 7. Whereas the tragic events of September 11, 2001, have demonstrated the immediate need for insuring that the Commonwealth is prepared to deal with terrorism and extraordinary emergencies, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

The Committee Substitute to **HB 258** is as follows:

HB 258, AN ACT relating to the Department of Military Affairs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the Antiterrorism Act of 2002.

Section 2. KRS 39A.050 is amended to read as follows:

(1) The Division of Emergency Management shall coordinate for the Governor all matters pertaining to the comprehensive emergency management program and disaster and emergency response of the Commonwealth. The division shall be the executive branch agency of state government having primary jurisdiction, responsibility, and authority for the planning and execution of disaster and emergency assessment, mitigation, preparedness, response, and recovery for the Commonwealth; the coordination of all disaster and emergency response by and between all state agencies, all agencies of city, county, and urban-county or charter county government, all local entities, and all political subdivisions of the Commonwealth for an emergency, declared emergency, disaster, or catastrophe as contemplated in KRS 39A.010, 39A.020, or 39A.030; the coordination of, and liaison with, related or concerned federal government agencies, elected officials of other states, private organizations or private sector companies dealing with disaster and emergency response; the coordination of all recovery operations and mitigation initiatives subsequent to disasters or emergencies; and the coordination of all public information activities regarding state government disaster and emergency response operations.

(2) The Division of Emergency Management shall have and exercise the following powers, authorities, and duties:

(a) To develop, administer, and maintain a statewide comprehensive emergency management program for the Commonwealth, and through it an integrated emergency management system for the disaster and emergency response of the Commonwealth, which shall be coordinated with the emergency management programs, and other related public safety, emergency response, mitigation, or disaster recovery programs, of all appropriate federal government agencies including the Federal Emergency Management Agency, ***the Office of Homeland Security, the State Department, the Federal Aviation Administration, the Centers for Disease Control and Prevention,*** the Department of Transportation, the Environmental Protection Agency, the Occupational Safety and Health Administration, the Department of Defense, the National Oceanic and Atmospheric Administration, the Department of Justice, the Bureau of Alcohol, Tobacco, and Firearms, the National Transportation Safety Board, the Chemical Safety and Hazard Investigation Board, the Army Corps of Engineers, the National Security Council, the Department of Health and Human Services, the Federal Railroad Administration, the United States Geological Survey, the Department of Energy, the Nuclear Regulatory Commission, the Department of Agriculture, the Department of Housing and Urban Development, the American Red Cross, the other states, and other appropriate public or private agencies, to the fullest appropriate extent;

(b) To coordinate the development, implementation, and maintenance of comprehensive emergency management programs by local emergency management agencies in the cities, counties, and urban-county or charter county governments of the Commonwealth to ensure that all such programs, agencies, and organizations are organized, administered, and operated as functional components of the integrated emergency management system of the Commonwealth;

(c) To develop and maintain a comprehensive, risk-based, all-hazards disaster and emergency response plan entitled "Kentucky Emergency Operations Plan," the provisions of which shall establish the organizational structure to be utilized by state government for managing disaster and emergency response, and set forth the policies, procedures, and guidelines for the coordination and execution of all disaster and emergency response for an emergency, declared emergency, disaster, or catastrophe in the Commonwealth. The Kentucky Emergency Operations Plan shall be submitted to the Governor for approval when the Governor assumes office following each gubernatorial election, or at other times as the director deems appropriate. The Governor shall provide written approval of the Kentucky Emergency Operations Plan through issuance of an executive order and the division shall file a copy of the executive order with the Legislative Research Commission. The Kentucky Emergency Operations Plan shall be the primary strategic disaster and emergency response planning component of the integrated emergency management system of the Commonwealth, and shall be utilized and followed by all state agencies, all local government agencies, all local public agencies or entities, and all other political subdivisions of the Commonwealth which may be involved in disaster and emergency response in the Commonwealth. The Kentucky Emergency Operations Plan shall be updated by the division not less than annually;

(d) To maintain and operate the State Emergency Operations Center facility, which shall be the official and primary state government twenty-four (24) hour warning point, communications, and command center, from which the Governor, cabinet secretaries, department heads, and other state agency officials can, at any time, rapidly, adequately, and effectively manage the disaster and emergency response of the Commonwealth. The State Emergency Operations Center facility shall be the primary state direction and control component of the integrated emergency management system of the Commonwealth for the coordination of all disaster and emergency response in the Commonwealth;

(e) To develop, monitor, and operate, on a twenty-four (24) hour per day basis, the appropriate alerting or warning systems, public safety telecommunications systems or radio networks; any state trunked, fiber, or interactive communication systems; computer, fax, other telecommunications or information networks; and systems needed for communication and coordination with all necessary or appropriate federal, state, or local public safety, law enforcement, emergency management, or other disaster and emergency response agencies, and state or local dispatch centers in the Commonwealth, and other appropriate interests, and through these agencies and systems to receive or disseminate emergency information, or to receive timely notification of, and continual assessment of, all threatened or actual emergency incidents or disaster situations occurring anywhere in or near the Commonwealth;

(f) To immediately notify the Governor and the Adjutant General, in the event of any major emergency incidents or disaster occurrences, or the threatened or impending occurrence of any of these events, and to keep the Governor and the Adjutant General informed of all actions being taken in response to these events;

(g) To respond to the scenes of emergencies or disasters, or their threatened or impending occurrence and to directly and immediately investigate, analyze, and assess the nature and seriousness of these situations; to convene meetings, gather information, conduct briefings, and evaluate ongoing emergency response activities; take actions to execute the appropriate provisions of the Kentucky Emergency Operations Plan; coordinate the establishment and operation of a state incident management system; establish or manage sub-state or area emergency operations centers, or on-scene command posts; and fully expedite and coordinate the disaster and emergency response of the Commonwealth;

(h) To establish and operate area field offices of the division, each office to be headed by an area manager, responsible for administering the policies, plans, programs, and duties of the division in specific geographic areas of the Commonwealth, including the coordination of comprehensive emergency management programs developed by the cities, counties, urban-county, or charter county governments in the areas;

(i) To provide funds to the cities, counties, and urban-county or charter county governments of the Commonwealth to support the development, administration, operation, and maintenance of local emergency management agencies created pursuant to KRS Chapters 39A to 39F;

(j) To require the regular submission of program administration data, records, materials, reports, or documents from local emergency management agencies as may be necessary and sufficient to conduct performance reviews and assessments to ensure compliance with all state or federal funding and program requirements, and to ensure local program compatibility and consistency with the mission, goals, and objectives of the comprehensive emergency management program and integrated emergency management system of the Commonwealth;

(k) To ascertain the requirements of the Commonwealth and its cities and counties for emergency resources and the necessities of life in the event of disaster or emergency; institute an emergency resource management plan and procure emergency supplies, materials, and equipment; and use or employ in time of emergency any of the property, services, and resources of state or local government in the Commonwealth for the purposes set forth in KRS Chapters 39A to 39F;

(l) To institute public information and education programs, emergency management training programs, and exercise programs to test and evaluate emergency operations plans and disaster and emergency response and recovery capabilities;[~~ and~~]

(m) ***To assess the threat of and the Commonwealth's capacity for responding to acts of war or terrorism, including but not limited to agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents;***

(n) To develop a statewide plan and needs assessment for responding to acts of war or terrorism, including but not limited to agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents;

(o) Develop a comprehensive strategy addressing how state and federal funds and other U.S. Department of Justice assistance will be allocated within the state to purchase specialized equipment required to respond to terrorist incidents effectively and safely; and

(p) Establish as a goal to exceed the minimum requirements established by the U.S. Department of Justice, under congressional direction, for state and local governments receiving assistance needed to enhance their capabilities to respond to terrorist attacks. This goal is established in order for the Commonwealth to emerge as a preeminent national leader in preparation and training to address terrorist incidents involving weapons of mass destruction; and

(q) To promulgate administrative regulations to carry out the provisions of KRS Chapters 39A to 39F.

Section 3. KRS 39A.070 is amended to read as follows:

The director, with the approval of the Adjutant General, shall exercise the following powers, responsibilities, and duties:

(1) To represent the Governor on all matters pertaining to the comprehensive emergency management program and the disaster and emergency response of the Commonwealth;

(2) To coordinate the development of a statewide comprehensive emergency management program, and through it, an integrated emergency management system for the disaster and emergency response of the Commonwealth;

(3) To promulgate administrative regulations and issue orders, directives, standards, rules, procedures, guidance, or recommended practices necessary to coordinate the development, administration, organization, operation, implementation, and maintenance of the statewide comprehensive emergency management program and the integrated emergency management system of the Commonwealth;

(4) To coordinate the development of comprehensive emergency management programs by the cities, counties, and urban-county or charter county governments as functional components of the integrated emergency management system of the Commonwealth;

(5) To supervise the development and maintenance of the Kentucky Emergency Operations Plan, and to review and give concurrence to local emergency operations plans required pursuant to KRS Chapters 39A to 39F;

(6) To coordinate the comprehensive emergency management program of the Commonwealth with the emergency management or other emergency response-related programs of the federal government, and of other states, to the fullest appropriate extent;

(7) To advise the Governor and the Adjutant General immediately of the occurrence or threatened or impending occurrence of any disaster or emergency, and to recommend to the Governor any emergency actions, written orders, emergency powers, or executive orders that the Governor should execute;

(8) To serve as the Governor's primary liaison with local officials in the event of the occurrence, or threatened or impending occurrence, of any disaster or emergency in the cities, counties, urban-counties, or charter counties of the Commonwealth;

(9) To take any other preparedness or response actions deemed necessary for adequate response to a disaster or emergency situation to include: requesting increased readiness activities by state or local agencies in advance of an actual disaster or emergency; requesting implementation of local emergency operations plans or the activation of local emergency operations centers; requesting reports from state or local agencies regarding emergency situations, damage assessments, or the taking of emergency response actions; and requesting the mobilization or deployment of any trained and equipped forces of state or local government for the disaster and emergency response purposes set forth in KRS Chapters 39A to 39F;

(10) To request and utilize the personnel, equipment, services, and facilities of existing officers and agencies of the Commonwealth and of all political subdivisions and special districts. All these officers and agencies shall fully cooperate with and extend their resources to the director as requested to the extent that local public safety is not unreasonably compromised;

(11) To employ measures and give directions to the state or local boards of health as necessary for the purpose of securing compliance with the provisions of KRS Chapters 39A to 39F, or with the findings or recommendations of the boards of health, because of conditions arising from disasters, emergency situations, national security emergencies, or the threat thereof;

(12) To request and utilize the services of state and local law enforcement officers for the purpose of securing compliance with the provisions of KRS Chapters 39A to 39F, or any order of the Governor pertaining to disaster and emergency response;

(13) On behalf of this Commonwealth, with the approval of the Governor or act of the General Assembly, to enter into reciprocal aid agreements or compacts with other states and the federal government, either on a statewide, local, county, or city basis, or with other states or a province of a foreign country. The mutual aid agreements shall be limited to the furnishing or exchange of food, clothing, medicine, and other supplies; engineering services; emergency housing; police services; national guard personnel and resources while under the control of the state; health, medical, and related services; firefighting; rescue; search and rescue or recovery; urban search and rescue; hazardous materials response services, transportation and construction services and equipment; personnel necessary to provide or conduct these services and other supplies, equipment, facilities, personnel, and services as needed; the reimbursement of costs and expenses for equipment, supplies, personnel, and similar items for mobile support units, firefighting, search and rescue, and police units, and health units; and on the terms and conditions deemed necessary;

(14) To sponsor and develop mutual aid plans and agreements among the urban-county or charter county governments, counties, cities, and other political subdivisions and special districts of the Commonwealth, similar to the mutual aid arrangements with other states referred to in subsection (13) of this section;

(15) To procure motor vehicles, radio and telecommunications equipment, protective clothing, safety equipment, and other necessary supplies and materials to meet the emergency response, operational, and administrative needs of the division;

(16) To identify deficiencies existing in the emergency management program organization, facilities, and capabilities of the Commonwealth, including but not limited to: personnel and administrative resources; state, sub-state, area, or local emergency operations centers; mobile command posts; emergency telecommunications and computer systems; alerting and warning systems; stockpiles of critical resources; or any other necessary elements, and to recommend to the Adjutant General, for consideration by the Governor or the General Assembly or other appropriate funding authority, the administrative or operational funding requirements, and long-range capital construction or improvement projects needed to meet the emergency management infrastructure needs of the Commonwealth;

(17) To serve as the state coordinating officer and notify the Governor of the appropriations necessary to fund the expected emergency operational or response costs of the division, and the Commonwealth's share of the grants provided by Pub.L.No. 93-288, Title V, Federal Disaster Assistance Programs as amended by Pub.L.No. 100-707, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, or successor Acts or Titles, and further, take action necessary to ensure entitlement to all other federal relief or assistance programs;

(18) To cooperate with the President of the United States, the Federal Emergency Management Agency, and other appropriate federal offices and agencies, and the offices and agencies of other states in matters pertaining to the comprehensive emergency management program of the Commonwealth and nation; and in connection with these, to take any measures considered necessary to implement any request of the President and the appropriate federal offices and agencies, for any action requiring effective disaster and emergency response, including the direction or control and mobilization of disaster and emergency response forces; tests and exercises, warnings, and signals for drills or other emergency response activities and the mechanical devices to be used in connection with these; the shutting off of water mains, gas mains, electric power connections, and the suspension of all other utility services; the conduct of civilians and the movement and cessation of movement of pedestrians and vehicular traffic during, prior, and subsequent to a drill, emergency, declared emergency or disaster; public meetings or gatherings; and the evacuation and sheltering of the civilian population;~~[and]~~

(19) ***To develop a statewide plan and needs assessment for responding to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents; and***

(20) To delegate any authority vested in the director under KRS Chapters 39A to 39F and to provide for the subdelegation of any such authority.

SECTION 4. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO READ AS FOLLOWS:

The Adjutant General, as executive head of the Department of Military Affairs and the Division of Emergency Management, utilizing federal funds and existing agency funds, shall:

(1) Establish and chair an interagency working group comprised of state and private agencies to help identify risks and needs and make a complete assessment of the preparedness of the Commonwealth to respond to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents.

(2) Collaborate with state and participating private agencies to submit a written preliminary report prior to December 31, 2002, to the Governor, the Legislative Research Commission and the Interim Joint Committee on Seniors, Military Affairs, and Public Safety regarding the findings of the assessment of the preparedness of the Commonwealth to respond to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, biological, or chemical agents;

(3) Develop and implement statewide strategies to respond to acts of war or terrorism, including agro, eco, electromagnetic pulse, or cyber terrorism, or the unintentional release of radioactive, chemical, or biological agents based upon the information obtained in the needs assessment;

(4) Provide information explaining how individuals and private organizations, including volunteer and religious organizations, can best prepare for and respond to incidents contemplated by this section and to other threatened, impending, or declared emergencies and whom to contact should they desire to volunteer help or services during such an emergency. The program shall identify and encourage these private organizations to specifically commit to provide food, shelter, personnel, equipment, materials, consultation and advice, or any other services needed to respond to these incidents; and

(5) Annually assess and update the capability for readiness specified in this section, subject to the continued availability of federal and agency funds. The assessment shall identify the priority of needs, areas of improvement, and the overall progress made in attaining the goals and needs identified in the initial study and in its annual report. The report shall be submitted to the parties specified in subsection (2) of this section not later than December 31 of each year.

Section 5. Whereas the tragic events of September 11, 2001, have demonstrated the immediate need for insuring that the Commonwealth is prepared to deal with terrorism and extraordinary emergencies, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

The Committee Amendment No. 1 Title to **HB 258** is as follows:

Amend the title to read as follows:

"AN ACT relating to the Department of Military Affairs and declaring an emergency."

HB 320, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 36 IS CREATED TO READ AS FOLLOWS:

(1) The Office for Security Coordination is hereby created in the Department of Military Affairs. The Office for Security Coordination shall be headed by an executive director who shall be appointed by the Governor upon the recommendation of the adjutant general.

(2) The Office for Security Coordination shall coordinate a comprehensive statewide security strategy. The Office for Security Coordination shall coordinate the executive branch's efforts to secure and protect personnel, assets, and facilities within the Commonwealth of Kentucky.

Section 2. KRS 36.010 is amended to read as follows:

The Department of Military Affairs shall be attached to the Office of the Governor, have charge of and be responsible to the Governor for the proper functioning of the Kentucky National Guard, militia, and all other military or naval matters of the state, and shall consist of the following offices and divisions:

(1) Office of Management and Administration, containing the:
    (a) Division of Administrative Services;
    (b) Division of Facilities;
    (c) Bluegrass Station Division;
    (d) Division of Air Transport; and
    (e) Logistics Operations Division;
(2) Division of Emergency Management;
(3) Office of the Chief of Staff for Federal Army Guard;

(4) Office of the Chief of Staff for Federal Air Guard;

(5) ***Office for Security Coordination;***

(6) Kentucky Guard Youth Challenge Division; and

(7)[~~(6)~~] Kentucky Civil Air Patrol.

In order to promote greater efficiency, economy, and improved administration, the divisional structure of the Department of Military Affairs may be changed, redesignated, or reorganized in accordance with KRS Chapter 12. Notwithstanding KRS Chapter 12, the department's attachment to the Office of Governor as a separate organizational unit not attached to any cabinet shall not be changed except by action of the General Assembly.

Section 3. The General Assembly confirms Executive Order 2001-1411, dated November 15, 2001, relating to the reorganization of the Department of Military Affairs, to the extent it is not otherwise confirmed by this Act.

The Committee on Natural Resources and Environment reported **HB 405, HB 408,** with Committee Substitute attached thereto, and **HB 422** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 405, AN ACT relating to surface mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 351 IS CREATED TO READ AS FOLLOWS:

(1) Individual landowners or nonprofit corporation or unincorporated partnership landowners that engage in the extraction of coal as an incidental part of construction shall not be required to obtain a surface mining permit as required under KRS Chapter 350 or a mining license as required under this chapter if:

(a) The coal is five thousand (5,000) tons or less; and

(b) The coal removed is donated to a charitable, educational, or governmental organization, or the coal is sold and the proceeds, after expenses, are donated to such an organization.

(2) The department shall provide advice and technical assistance to a landowner to ensure that the coal is removed in a safe manner.

Section 2. KRS 350.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine and surface impacts incident to an underground coal mine. The activities shall include excavation for the purpose of obtaining coal, including such common methods as contour, strip, auger, extended depth secondary recovery systems, mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching, or other chemical or physical processing, and cleaning, concentrating, or other processing or preparation, and the loading of coal at or near the mine site. Excavation for the purpose of obtaining coal includes extraction of coal from refuse piles. The activities shall not include the extraction of coal by a landowner of fifty (50) tons or less within twelve (12) successive calendar months for his own noncommercial use from land owned or leased by him; the extraction of twenty-five (25) to ***five thousand (5,000)***[~~two hundred fifty (250)~~] tons of coal as an incidental part of privately financed construction where the coal is donated to a charitable***,***[~~ or~~] educational***, or governmental*** organization for noncommercial use or noncommercial distribution; the extraction of coal as an incidental part of federal, state, or local government financed highway or other construction under administrative regulations established by the cabinet; the extraction of, or intent to extract, twenty-five (25) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16-2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; or coal exploration subject to KRS 350.057. Surface coal mining operations shall also include the areas upon which the activities occur or where the activities disturb the natural land surface. The areas shall also include any adjacent land, the use of which is incidental to the activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of the activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to the activities. This definition shall include the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter;

(2) "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use of fifty (50) tons or less

within twelve (12) successive calendar months from land owned or leased by him; the extraction of coal as an incidental part of federal, state, or local government financed highway or other construction under administrative regulations established by the cabinet; the extraction of, or intent to extract, twenty-five (25) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16-2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; coal exploration subject to KRS 350.057; nor shall it include the surface effects or surface impacts of underground coal mining;

(3) "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of the operations as required by this chapter;

(4) "Overburden" means material of any nature, consolidated or unconsolidated, excluding topsoil, which lies above a natural deposit of coal and also means the material after removal from its natural state in the process of surface coal mining;

(5) "Area of land affected" means any area of land or water upon which surface coal mining and reclamation operations are conducted or located or are to be conducted or located;

(6) "Operations" means surface coal mining operations, all of the premises, facilities, roads, and equipment used in the process of producing coal from a designated area or removing overburden for the purpose of determining the location, quality, or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7) "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled, and other acts are performed by the operator in the process of uncovering and removing the coal;

(8) "Operator" means any person, partnership, or corporation engaged in surface coal mining operations who removes or intends to remove more than twenty-five (25) tons of coal from the earth by coal mining within twelve (12) consecutive calendar months in any one (1) location;

(9) "Person" means any individual, partnership, corporation, association, society, joint stock company, firm, company, or other business organization and shall also include any agency, unit, or instrumentality of federal, state, or local government including any publicly-owned utility or publicly-owned corporation of federal, state, or local government;

(10) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;

(11) "Secretary" means the secretary of the Natural Resources and Environmental Protection Cabinet;

(12) "Reclamation" means the reconditioning of the area affected by surface coal mining operations under a plan approved by the cabinet;

(13) "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14) "Bench" means the ledge, shelf, or terrace formed in the contour method of strip mining;

(15) "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads, closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the cabinet determines that they are in compliance with KRS 350.455;

(16) "Certification" by a qualified registered professional engineer, as required by this chapter and administrative regulations promulgated hereunder, means a good faith representation to the best of his or her knowledge and belief, based on adequate knowledge of the requirements of this chapter and administrative regulations promulgated hereunder, related experience, best professional judgment, accepted engineering practices and recognized professional standards, and standard practice as it relates to direct participation by the registered professional engineer or supervision of the registered professional engineer's employees or subordinates. Certification shall not be construed to constitute a warranty or guarantee.

(17) "Reclamation development fund" means only that reconditioning of land affected by surface mining, which will directly promote and benefit the fund administered by the Kentucky Economic Development Finance Authority to foster economic development on surface mining land.

(18) "Reclamation development project" means only that reconditioning of land affected by surface mining, which will directly promote and benefit an economic undertaking which constitutes a project under KRS 154.01-010(20).

(19) "Reclamation development plan" means a plan submitted to the cabinet to show compliance with reclamation standards, and submitted to the Kentucky Economic Development Finance Authority to seek moneys from the reclamation development fund for a reclamation development project.

(20) "Permit applicant" or "applicant" means a person applying for a permit.

(21) "Permittee" means a person holding a permit to conduct surface coal mining and reclamation operations.

(22) "Unanticipated event or condition" as used in KRS 350.085(7) means an event or condition encountered in a remining operation that was not contemplated by the applicable surface coal mining and reclamation permit.

(23) "Lands eligible for remining" means those lands that would otherwise be eligible for expenditures under KRS 350.560(1) or (2).

(24) "Coal combustion by-products" means fly ash, bottom ash, scrubber sludge, and waste from fluidized bed combustion, produced by the combustion of coal. Coal combustion by-products do not include boiler slag, or residues of refuse derived fuels, such as municipal solid waste, tires, and solvents.

HB 408, AN ACT relating to air quality.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 224.20-050 TO 224.20-150 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Allocate" or "allocation" means the determination by the cabinet of the number of NOx allowances to be credited to a NOx budget unit;

(b) "Compliance supplement pool" means the quantity of NOx allowances provided to Kentucky by the EPA to be:

1. Allocated to NOx budget units that achieve early reduction; or

2. Sold to assist NOx budget sources that are unable to meet the compliance deadline;

(c) "Control period" means the following:

1. For the year 2004, the period beginning May 31, 2004, and ending September 30, 2004, inclusive; and

2. For all other years, the period beginning May 1 of each year and ending September 30 of the same year, inclusive;

(d) "Division" means the Division of Air Quality;

(e) "EPA" means the U.S. Environmental Protection Agency;

(f) "ERC" means early reduction credit;

(g) "NOx allowance" means the authority to emit one (1) ton of nitrogen oxide during a control period under the NOx budget trading program; and

(h) "NOx budget trading program" means the multistate NOx air pollution control and emission reduction program established and administered by the U.S. EPA under 40 CFR 51.121 or 40 CFR 52.34, and any amendments thereto, as a means of mitigating the interstate transport of ozone, ozone precursors, and nitrogen oxide.

(2) Allowance credits set aside for industrial sources in the compliance supplement pool first shall be allocated to existing industrial sources that have made early reductions in their NOx emissions to be eligible for ERCs.

(3) After allocating ERCs to industrial sources, any unexpended allowance credits shall be sold to industrial sources that are unable to meet their compliance deadlines.

(4) The division may contract with a private entity to sell the allowance credits.

The Committee Substitute to **HB 408** is as follows:

HB 408, AN ACT relating to air quality.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 9 of this Act:

(1) "Allocate" or "allocation" means the determination by the cabinet of the number of NOx allowances to be credited to a NOx budget unit;

(2) "Allocation period" means each three (3) year period beginning May 1, 2004, when NOx allowances are allocated to NOx budget units;

(3) "BTU" means British thermal unit;

(4) "Classification date" means the date that the cabinet classifies a NOx budget unit as an existing or a new source and as an EGU, industrial or cement kiln for the purpose of determining eligibility to receive allowances from established source pools;

(5) "Combine cycle system" means a system comprised of one (1) or more combustion turbines, heat recovery steam generators, or steam turbines configured to improve overall efficiency of electricity generation or steam production;

(6) "Combustion turbine" means an enclosed fossil-fired or other fuel-fired device that is comprised of a compressor, a combustor, and a turbine, and in which the flue gas resulting from the combustion of fuel in the combustor passes

through the turbine causing the rotation of the turbine;

(7) "Compliance supplement pool" means the quantity of NOx allowances provided to Kentucky by the U.S. Environmental Protection Agency (EPA) to be:

(a) Allocated to NOx budget units that achieve early reduction; or

(b) Sold to assist NOx budget sources that are unable to meet the compliance deadline as provided in subsection (4)(b) of Section 8 of this Act;

(8) "Control period" means the following:

(a) For the year 2004, the period beginning May 31, 2004, and ending September 30, 2004, inclusive; and

(b) For all other years, the period beginning May 1 of each year and ending September 30 of the same year, inclusive;

(9) "Electric generating unit" or "EGU" means a fossil-fuel fired boiler, combustion turbine, or a combined cycle system used to generate twenty-five (25) megawatts or more of electricity, some of which is offered for sale;

(10) "ERC" means early reduction credit;

(11) "Existing source" means a source which is not a new source;

(12) "Heat input" means the product of the gross calorific value of the fuel expressed and the fuel feed rate into a combustion device that:

(a) Does not include the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources; and

(b) Is measured, recorded, and reported to the cabinet by the NOx authorized account representative in accordance with 40 C.F.R. 96.70 to 40 C.F.R. 96.76;

(13) "MM" means one million (1,000,000);

(14) "Megawatt" means one million (1,000,000) watts of electricity;

(15) "New source" means a source, the construction, reconstruction, or modification of which commenced on or after the classification date established by the cabinet which shall be irrespective of a change in the emission rate;

(16) "NOx allowance" means the authority to emit one (1) ton of nitrogen oxide during a control period under the NOx budget trading program;

(17) "NOx budget trading program" means the multistate NOx air pollution control and emission reduction program established and administered by the U.S. EPA under 40 C.F.R. 51.121 or 40 C.F.R. 52.34, and any amendments thereto, as a means of mitigating the interstate transport of ozone, ozone precursors, and nitrogen oxide;

(18) "NOx budget unit" means a unit that is subject to the NOx budget trading program emissions limitations established under the NOx state implementation plan;

(19) "Ozone precursor" means the chemical elements including volatile organic compounds, nitrogen oxide, and oxygen, that combine in the presence of light to form ozone;

(20) "Source pool" means the number of NOx allowances assigned to Kentucky by the U.S. EPA and approved in Kentucky's state implementation plan that are set aside by the Division of Air Quality to be distributed to:

(a) Classified NOx budget units; or

(b) Classified NOx budget units for specific circumstances set forth in statute or in administrative regulation; and

(21) "State implementation plan" means the most recently prepared plan or revision required by 42 U.S.C. sec. 7410 which has been approved by the U.S. EPA.

SECTION 2. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) The Division of Air Quality shall promulgate administrative regulations to implement a nitrogen oxide budget trading program in conformance with the provisions of Sections 1 to 9 of this Act.

(2) The act of establishing source pools for EGUs shall not be construed to restrict the cabinet from establishing source pools for other NOx budget units including those affecting industrial sources and cement kilns.

SECTION 3. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) The program adopted by the Natural Resources and Environmental Protection Cabinet that creates a nitrogen oxide budget trading program shall establish the following source pools for electric generating units:

(a) EGU source pool; and

(b) Efficient energy reserve pool.

(2) The cabinet shall establish a compliance supplement pool for EGUs and industrial sources. A portion of the compliance supplement pool shall be set aside for allocation or sale to EGUs.

SECTION 4. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) New source and existing EGUs are eligible to receive an allocation of allowances from the EGU source pool in the following manner:

(a) For the control period beginning in 2004, new EGUs shall receive eight percent (8%) of the total EGU allocation, and existing EGUs shall receive eighty-two percent (82%) of the total EGU allocation; and

(b) For control periods after 2004, new EGUs shall receive five percent (5%) of the total EGU allocation, and existing EGUs shall receive eighty-five percent (85%) of the total EGU allocation.

(2) For allocation purposes, the Division shall use the heat input formula set forth in 40 C.F.R. Part 75 to allocate credits to individual budget units in the EGU source pool.

(3) The division shall modify the heat input formula or make adjustments in the total number of allowances allocated to all electric generating units in the applicable pools so that the total number of NOx allowances allocated equals the percentages established for each source pool set forth in subsection (1)(a) and (b) of this section.

SECTION 5. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

No allocation shall be made by the cabinet to a NOx budget unit from the EGU source pool until ten percent (10%) of the total allocation from the EGU source pool is transferred to the efficient energy reserve pool as prescribed in subsection (1) of Section 6 of this Act.

SECTION 6. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) For the control period beginning in 2004 and all other control periods thereafter, ten percent (10%) of the total allocation from the U.S. EPA to Kentucky that is set aside in the EGU source pool shall be transferred to the efficient energy reserve pool.

(2) Both new and existing EGUs are eligible to receive an allocation of allowance credits from the efficient energy reserve pool.

(3) Eligibility requirements to receive an allocation from the efficient energy reserve pool are as follows:

(a) The source must be a new source or an existing EGU that utilizes at least twenty-five percent (25%) of one (1) of the following fuel feedstocks for producing energy:

1. Coal, including waste coal;

2. Municipal waste, including pelletized municipal waste;

3. Waste tires; or

4. A combination of fuel feedstocks listed in subparagraphs 1. to 3. of this paragraph; or

(b) The new source or existing EGU utilizes state-of-the-art electric generating technologies that shall by definition include clean coal technologies, to reduce nitrogen oxide emissions below nine hundredths of a pound per million BTUs (.09 lb./MMBTU) during the control period.

SECTION 7. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) The cabinet shall promulgate administrative regulations to establish a methodology to set aside a proportion of the allowance credits transferred from U.S. EPA to Kentucky's compliance supplement pool for allocation or sale to EGUs.

(2) The methodology to set aside allowance credits for allocation or sale to EGUs shall be based on the ratio of NOx emission reductions required from industrial sources and EGU sources to the total NOx emission reductions required from industrial sources and EGU sources combined multiplied by the number of ERCs in the compliance supplement pool.

(3) Nothing in this section shall be construed to limit the cabinet from apportioning allowance credits in the compliance supplement pool for allocation or sale to industrial sources.

SECTION 8. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) Allowance credits set aside for EGUs in the compliance supplement pool shall be for existing EGUs meeting the eligibility criteria in paragraph (a) of subsection (4) of this section and for new and existing EGUs meeting the eligibility criteria in paragraph (b) of subsection (4) of this section.

(2) With respect to the allowance credits set aside for EGUs in the compliance supplement pool, the Division of Air Quality shall first allocate credits to existing EGUs making early reductions in the years 2001 through 2003. After allocating early reductions credits, any unexpended allowance credits shall be sold to any EGU meeting the eligibility requirements set forth in paragraph (b) of subsection (4) of this section.

(3) The Division of Air Quality shall promulgate administrative regulations to develop a process for the sale of allowance

credits from the compliance supplement pool to EGUs that are unable to meet their compliance deadlines. The division may contract with a private entity to sell the allowance credits.

(4) With respect to the allowance credits set aside in the compliance supplement pool for EGUs, any EGU shall be eligible for allowance credits from the compliance supplement pool according to the priority established in subsection (2) of this section if the EGU:

(a) Has achieved early reductions in the years 2001 through 2003; or

(b) Is unable to meet the compliance deadline imposed by the division and that meet the following conditions:

1. Curtailment of the EGU applying for credits from the compliance supplement pool would jeopardize the reliability of the electric transmission system or the reliability of service to Kentucky customers by a utility as defined in KRS 278.010; or

2. The EGU is able to demonstrate that it was not possible to acquire sufficient NOx allowances to meet the compliance deadline by generating ERCs, acquiring ERCs from other sources, or acquiring NOx allowances from the NOx Budget Trading Program.

SECTION 9. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) Allowance credits set aside for industrial sources in the compliance supplement pool first shall be allocated to existing industrial sources that have made early reductions in their NOx emissions to be eligible for ERCs.

(2) After allocating ERCs to industrial sources, any unexpended allowance credits shall be sold to industrial sources that are unable to meet their compliance deadlines.

(3) The division may contract with a private entity to sell the allowance credits.

HB 422, AN ACT relating to waste tires.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.50-868 is amended to read as follows:

(1) Until July 31, ***2006***~~[2002]~~, a person purchasing a new motor vehicle tire in Kentucky shall pay to the retailer a one dollar ($1) fee at the time of the purchase of that tire. A new tire is a tire that has never been placed on a motor vehicle wheel rim, but it is not a tire placed on a motor vehicle prior to its original retail sale or a recapped tire. The term "motor vehicle" as used in this section shall mean "motor vehicle" as defined in KRS 138.450. The fee shall not be subject to the Kentucky sales tax.

(2) When a person purchases a new motor vehicle tire in Kentucky to replace another tire, the tire that is replaced becomes a waste tire subject to the waste tire program. The person purchasing the new motor vehicle tire shall either offer the retailer that waste tire or meet the following requirements:

(a) Dispose of the waste tire in accordance with KRS 224.50-856(1);

(b) Deliver the waste tire to a person registered in accordance with the waste tire program; or

(c) Reuse the waste tire for its original intended purpose or an agricultural purpose.

(3) A retailer shall report to the Revenue Cabinet on or before the twentieth day of each month the number of new motor vehicle tires sold during the preceding month and the number of waste tires received from customers that month. The report shall be filed on forms and contain information as the Revenue Cabinet may require. The retailer shall remit with the report ninety-five percent (95%) of the fees collected for the preceding month and may retain a five percent (5%) handling fee.

(4) A retailer shall:

(a) Accept from the purchaser of a new tire, if offered, for each new motor vehicle tire sold, a waste tire of similar size and type; and

(b) Post notice at the place where retail sales are made that state law requires the retailer to accept, if offered, a waste tire for each new motor vehicle tire sold and that a person purchasing a new motor vehicle tire to replace another tire shall comply with subsection (2) of this section. The notice shall also include the following wording: "State law requires a new tire buyer to pay one dollar ($1) for each new tire purchased. The money is collected and used by the state to oversee the management of waste tires, including cleaning up abandoned waste tire piles and preventing illegal dumping of waste tires."

(5) A retailer shall comply with the requirements of the recordkeeping system for waste tires established by KRS 224.50-874.

(6) A retailer shall transfer waste tires only to a person who presents a letter from the cabinet approving the registration issued under KRS 224.50-858 or a copy of a solid waste disposal facility permit issued by the cabinet, unless the retailer is delivering the waste tires to a destination outside Kentucky and the waste tires will remain in the retailer's possession until they reach that destination.

Section 2. KRS 224.50-872 is amended to read as follows:

The cabinet shall report to the General Assembly no later than January 15, ***2006***[~~2002~~], on the effectiveness of the waste tire program in developing markets for waste tires, the effectiveness of the fee established in KRS 224.50-868 in funding the cabinet's implementation of the waste tire program***, to include any waste tire amnesty program established by the cabinet as provided for in subsection (1)(b) of Section 3 of this Act***, and whether the fee should be extended beyond July 31, ***2006***[~~2002~~].

Section 3. KRS 224.50-880 is amended to read as follows:

(1) A waste tire trust fund is established in the state treasury. The fund shall be used by the cabinet for the following purposes:
  (a) Properly managing waste tires;
  (b) Paying the cabinet's costs in implementing the waste tire program ***to include costs associated with any waste tire amnesty program established by the cabinet that provides an opportunity for citizens, organizations, and businesses to turn in waste tires without incurring fees, charges, or penalties***;
  (c) Paying the Revenue Cabinet's costs of assessing and collecting the fee established by KRS 224.50-868;
  (d) Entering into the agreements described in KRS 224.50-876; and
  (e) Awarding the grants described in KRS 224.50-878.
(2) All interest earned on money in the fund shall be credited to the fund.
(3) Money unexpended at the end of a fiscal year shall not lapse to the general fund.
(4) Any money remaining in the waste tire trust fund established by KRS 224.50-820 shall be transferred to the fund established by this section.

The Committee Amendment No. 1 to **HB 422** is as follows:

On page 3, line 3, after the word, "***that***" insert:

"***permits waste tires to be turned in without incurring fees, charges, or penalties***"

and delete:

"***provides an opportunity for citizens, organizations, and businesses to turn in waste tire without incurring fees, charges or penalties***"

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bill has been posted for Committee consideration:

Health and Welfare: **HB 395**

Recess

Representative Stumbo moved to recess until 2:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day

HB 286 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Clark moved that **HB 286** be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See January 29, 2002, roll call on **HB 286** - Appendix.)

HB 286 was passed and the title agreed to.

Representative P. Clark moved that the vote by which **HB 286** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 287 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Clark moved that **HB 287** be passed.

On the roll call the vote was: **Yeas 94, Nays 0.** (See January 29, 2002, roll call on **HB 287** - Appendix.)

HB 287 was passed and the title agreed to.

Representative P. Clark moved that the vote by which **HB 287** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 62, with Committee Substitute, Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved the adoption of the Committee Substitute to **HB 62**. Agreed.

Representative Damron moved that **HB 62**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 92, Nays 0.** (See January 29, 2002, roll call on **HB 62** - Appendix.)

HB 62, by way of Committee Substitute, was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 62**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 202, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nunn moved the adoption of the Committee Substitute to **HB 202**. Agreed.

Representative Nunn moved that **HB 202**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 98, Nays 0.** (See January 29, 2002, roll call on **HB 202** - Appendix.)

HB 202, by way of Committee Substitute, was passed and the title agreed to.

Representative Nunn moved that the vote by which **HB 202**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 65, with Committee Substitutes and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved the adoption of the Committee Substitute No. 2 to **HB 65**. Agreed.

Representative Damron moved the adoption of Floor Amendment No. 1 to the Committee Substitute No. 2 to **HB 65**. Agreed.

Representative Damron moved that **HB 65**, by way of Committee Substitute No. 2, as amended, be passed.

On the roll call the vote was: **Yeas 98, Nays 0.** (See January 29, 2002, roll call on **HB 65** - Appendix.)

HB 65, by way of Committee Substitute No. 2, as amended, was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 65**, by way of Committee Substitute No. 2, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 136, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gooch moved the adoption of Committee Amendment No. 1 to **HB 136**. Agreed.

Representative Gooch moved that **HB 136**, as amended, be passed.

On the roll call the vote was: **Yeas 98, Nays 0**. (See January 29, 2002, roll call on **HB 136** - Appendix.)

HB 136, as amended, was passed and the title agreed to.

Representative Gooch moved that the vote by which **HB 136**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 399, with Committee Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pasley moved the adoption of Committee Amendment No. 1 to **HB 399**. Agreed.

Representative Pasley moved the adoption of Committee Amendment No. 2 to **HB 399**. Agreed.

Representative Pasley moved that **HB 399**, as amended, be passed.

On the roll call the vote was: **Yeas 99, Nays 0**. (See January 29, 2002, roll call on **HB 399** - Appendix.)

HB 399, as amended, was passed and the title agreed to.

Representative Pasley moved that the vote by which **HB 399**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 52, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Vincent moved the adoption of Floor Amendment No. 2 to **HB 52**. Agreed.

Representative Vincent moved that **HB 52**, as amended, be passed.

On the roll call the vote was: **Yeas 92, Nays 3**. (See January 29, 2002, roll call on **HB 52** - Appendix.)

HB 52, as amended, was passed and the title agreed to.

Representative Vincent moved that the vote by which **HB 52**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 346 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 346** be passed.

On the roll call the vote was: **Yeas 89, Nays 0**. (See January 29, 2002, roll call on **HB 346** - Appendix.)

HB 346 was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 346** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 26, with Committee Substitute and Floor Amendment taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Coleman moved the adoption of the Committee Substitute to **HCR 26**. Agreed.

Representative Burch moved the adoption of Floor Amendment No. 1 to the Commitee Substitute to **HCR 26**. Agreed.

Representative Coleman moved that **HCR 26,** by way of Committee Substitute, as amended, be adopted.

On the roll call the vote was: **Yeas 82, Nays 12**. (See January 29, 2002, roll call on **HCR 26** - Appendix.)

HCR 26, by way of Committee Substitute, as amended, was adopted.

Representative Coleman moved that the vote by which **HCR 26,** by way of Committee Substitute, as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 46 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Branham moved that **HJR 46** be adopted.

On the roll call the vote was: **Yeas 94, Nays 0.** (See January 29, 2002, roll call on **HJR 46** - Appendix.)

HJR 46 was adopted.

Representative Branham moved that the vote by which **HJR 46** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 59, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cherry moved the adoption of the Committee Substitute to **HB 59**. Agreed.

Representative Cherry moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 59**. Agreed.

Representative Cherry moved that **HB 59,** by way of Committee Substitute, as amended, be passed.

Representative Damron moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 59**.

Representative Cherry inquired whether Floor Amendment No. 1 to the Committee Substitute to **HB 59** was germane.

The Chair ruled that Floor Amendment No. 1 was germane.

Representative Damron moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 59**. Agreed.

Representative Cherry moved that **HB 59** by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 98, Nays 0**. (See January 29, 2002, roll call on **HB 59** - Appendix.)

HB 59, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Cherry moved that the vote by which **HB 59**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 55, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nunn moved the adoption of the Committee Substitute to **HB 55**. Agreed.

Representative Nunn moved that **HB 55**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See January 29, 2002, roll call on **HB 55** - Appendix.)

HB 55, by way of Committee Substitute, was passed and the title agreed to.

Representative Nunn moved that the vote by which **HB 55**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 32 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Arnold moved that **HB 32** be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See January 29, 2002, roll call on **HB 32** - Appendix.)

HB 32 was passed and the title agreed to.

Representative A. Arnold moved that the vote by which **HB 32** was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative Stumbo moved to recess until 4:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Recess

Representative Stumbo moved to recess until 7:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 to **HB 175**, by Representative Crimm:

On page 1, line 3 after the word "***agencies,***" by inserting "***including the Department of State Police,***"; and
On page 1, line 4 after the word "***Commonwealth***" by adding a comma; and
On page 1, line 4 after the word "***Commonwealth***" by deleting the word "***or***"; and
On page 1, line 4 after the word "***agencies***" by inserting "***, or the Department of State Police***"; and
On page 3, line 14 after the word "***Commonwealth***" by adding a comma; and
On page 3, line 14 after the word "***Commonwealth***" by deleting the word "***or***"; and
On page 3, line 14 after the word "***agencies***" by inserting "***, or the Department of State Police***".

Floor Amendment No. 1 to **HB 254**, by Representative Miller:

On page 1, line 20, after the period "***.***" insert the following: "***The person shall designate on the application form the specific school and PTA where the proceeds from the person's purchase shall be credited for distribution under subsection (10) of this section.***"; and

On page 4, lines 10 through line 13, delete lines 10 through 13 in their entirety and insert in lieu thereof the following: "***program fund to the public education foundation in a county containing a city of the first class. The public education foundation shall be responsible for equally distributing funds under this subsection among all schools and PTA's throughout the Commonwealth.***"

Floor Amendment No. 1 to the Committee Substitute to **HB 14**, by Representative Draud:

On page 1, between lines 17 and 18, by inserting the following:

The sheriff may choose to notify the public of any registered sex offender who is required to register for a period of ten (10) years who moves into the county but shall not be required to do so."

Floor Amendment No. 2 to **HB 254**, by Representative Miller:

On page 1, line 20, after the period "." insert the following: "***The person shall designate on the application form the specific school and PTA where the proceeds from the person's purchase shall be credited for distribution under subsection (10) of this section.***"; and

On page 4, lines 10 through line 13, delete lines 10 through 13 in their entirety and insert in lieu thereof the following: "***program fund to the public education foundation in a county containing a city of the first class. The public education foundation shall be responsible for distributing funds under this subsection among all schools and PTAs throughout the Commonwealth.***"

Floor Amendment No. 2 to the Committee Substitute to **HB 207**, by Representative Hoover:

On page 2, between lines 14 and 15, by inserting the following:

"*(5) Nothing in Sections 1 to 10 of this Act shall be construed to prohibit a certified kitchen designer (CKD), certified bathroom designer (CBD), or certified master kitchen and bathroom designer (CMKBD) who is registered with its respective national society under the auspices of the National Kitchen and Bath Association from using the applicable title "certified kitchen designer," "certified bathroom designer," or "certified master kitchen and bathroom designer."*"".

Floor Amendment No. 2 to the Committee Substitute to **HB 14**, by Representative Draud:

On page 2, line 7, to delete "***three (3)***" and to insert in lieu thereof "***thirty (30)***"; and

On page 2, lines 8 and 9, to delete "***and shall be grounds for revocation of probation, conditional release, or parole***"; and

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 20, Representatives Baugh, C. Belcher, and Sims

HB 30, Representative Stumbo

HB 39, Representative Nunn

HB 40, Representative Draud

HB 195, Representative Haydon

HB 286, Representative Haydon

HB 287, Representative Haydon

HB 288, Representative Haydon

HB 289, Representative Haydon

HB 315, Representative Branham

HB 353, Representative Jenkins

HB 417, Representatives L. Belcher and Draud

HB 446, Representative Walton.

Announcements

The following meetings were announced:

Appropriations and Revenue: upon Recess

Labor and Industry: upon noon recess

State Government: upon recess, Room 131

Labor and Industry: upon recess, Room 125

Majority Caucus: upon recess at 7:00 p.m.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., on Wednesday January 30, 2002.

The motion that the House adjourn until 2:00 p.m., Wednesday January 30, 2002, was adopted by voice vote.

WEDNESDAY, JANUARY 30, 2002

SIXTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend Gary Straub, First Christian Church, Frankfort, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Ballard moved that the reading of the Journal of January 29, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Motions, Petitions, and Communications

Representative Marzian moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Marzian moved the adoption of the following **Legislative Citation No. 23**.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and honors the 2001 Churchill Downs Governor's Scholars Legislative Day Participants and welcomes these outstanding scholars who are the special guests of the esteemed Jefferson County area legislators they have chosen to shadow during this day of the Regular Session of the 2002 Kentucky General Assembly. Sponsored by Churchill Downs, these exceptional students are hereby commended for demonstrating a keen interest in the history and the legislative process of this great Commonwealth and are praised for the great effort and dedication to academic excellence which they have demonstrated by their participation in the prestigious Governor's Scholars Program. Deemed Kentucky's best and brightest, these dedicated young citizens are well-deserving of the opportunities they have earned by demonstrating the desire and self-discipline necessary for scholastic accomplishment. The entire membership of this august body is delighted to join Representative Mary Lou Marzian in applauding these honored young guests who participated in the activities of the 2001 Churchill Downs Governor's Scholars Legislative Day and in extending sincere best wishes for their continued success and good fortune. Done in Frankfort, Kentucky, this thirtieth day of January, in the year two thousand and two.

Legislative Citation No. 23 was adopted without objection.

Introduction of Bills and Resolutions

HB 529, by Representatives Pullin and Vincent: AN ACT relating to school closings for elections.

HB 530, by Representatives Dw. Butler and L. Belcher: AN ACT relating to state employee voluntary supplemental health insurance.

HB 531, by Representative C. Belcher: AN ACT relating to bank franchise tax.

HB 532, by Representative Draud: AN ACT relating to head teachers.

HB 533, by Representative Simpson: AN ACT relating to the employment of deputy sheriffs.

HB 534, by Representative Stein: AN ACT relating to retirement.

HB 535, by Representatives Crimm, Allen, Nunn, and J. Turner: AN ACT relating to filing fees for office.

HB 536, by Representatives Rader and Colter: AN ACT relating to waste tires.

HB 537, by Representatives Nesler, Gray, Horlander, Miller, Vincent, Branham, Yonts, Adkins, Bratcher, Jenkins, Hoffman, Meeks, P. Clark, De. Butler, Burch, and Marzian: AN ACT relating to professional firefighters.

HB 538, by Representative Jenkins: AN ACT relating to employment contracts of deputy sheriffs.

HB 539, by Representative J. Turner: AN ACT relating to public safety.

HB 540, by Representative Draud: AN ACT relating to state and local planning for power suppliers.

HB 541, by Representative Stumbo: AN ACT relating to jurors.

HB 542, by Representative Yonts: AN ACT relating to economic development through the promotion of the value-added hardwood products industry.

HB 543, by Representative R. Adams: AN ACT relating to the siting of cellular communications equipment.

HJR 92, by Representative Pullin: A JOINT RESOLUTION directing the Transportation Cabinet and the Tourism Cabinet to study potential sites for a country music shrine on United States Route 23 near where United States Route 23 enters Kentucky in Greenup County.

HJR 93, by Representatives C. Belcher, Stacy, and A. Arnold: A JOINT RESOLUTION directing the Department of Parks to conduct a study to determine the feasibility of constructing a lodge at Cave Run Lake.

HJR 94, by Representative Crimm: A JOINT RESOLUTION directing the Secretary of State's office to create procedures and forms for candidate filing.

HCR 95, by Representatives Bruce and Gooch: A CONCURRENT RESOLUTION requesting reauthorization of the Tobacco Task Force.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolution:

Appropriations and Revenue: **HB 525, 526, 527**

Education: **HB 528**

Judiciary: **HB 523, 524**

House Floor: **HR 90, 91**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Local Government: **HB 437, HB 465, HB 469, HB 477, HB 483**

Tourism: **HB 372**

Transportation: **HB 106, HB 195, HB 316, HB 341, HB 453, HJR 77, HJR 79, HJR 81, HJR 85**

Report of Committees

The Committee on Rules reported that **HB 294** has been posted for passage in the Orders of the Day for January 31, 2002.

The Committee on Appropriations and Revenue reported **HB 79,** with Committee Substitute attached thereto, **HB 93,** with Committee Amendment attached thereto, **HB 120, HB 177,** with Committee Substitutes and Committee Amendment attached thereto, with the expression of opinion that the same should pass. Referred to the Committee on Rules.

The Committee Amendment No. 1 to **HB 93** is as follows:

On page 1, line 19, after "(2)" insert "***Notice under subsection (1) of this section shall be given by mail, fax, or electronic means at the discretion of the Department of Corrections in a manner to insure receipt***"; and

On page 1, line 21, remove the strike through from the period; and

On page 1, line 21, after "~~court~~" place a closing bracket; and

On page 1, line 22, remove all brackets and strike throughs.

The Committee Substitute 2 to **HB 177** is as follows:

HB 177, AN ACT relating to services to individuals with mental illness, alcohol and other drug disorders, and dual diagnoses, and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 210.502 is amended to read as follows:

(1) There is created the Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses. The commission shall consist of:

(a) The secretary of the Cabinet for Health Services;

(b) The secretary of the Cabinet for Families and Children;

(c) The secretary of the Justice Cabinet;

(d) The commissioner of the Department for Mental Health and Mental Retardation Services;

(e) The commissioner of the Department for Medicaid Services;

(f) The commissioner of the Department of Corrections;

(g) The commissioner of the Department of Juvenile Justice;

(h) The commissioner of the Department of Education;

(i) The commissioner of the Department of Vocational Rehabilitation;

(j) The director of the Protection and Advocacy Division of the Public Protection and Regulation Cabinet;

(k) The director of the Office of Family Resource and Youth Services Centers;

(l) The executive director of the Office of Aging Services of the Cabinet for Health Services;

(m) The executive director of the Kentucky Agency for Substance Abuse Policy;

(n) The executive director of the Criminal Justice Council;

(o) The director of the Administrative Office of the Courts;

(p) The chief executive officer of the Kentucky Housing Commission;

(q) The executive director of the Office of Transportation Delivery of the Transportation Cabinet;

(r)[~~(k)~~] Three (3) members of the House of Representatives who are members of the Health and Welfare Committee or the Appropriations and Revenue Committee, appointed by the Speaker of the House; and

(s)[~~(l)~~] Three (3) members of the Senate who are members of the Health and Welfare Committee or the Appropriations and Revenue Committee, appointed by the Senate President***;***

(t) A chairperson and one alternate who is a chairperson of a regional planning council appointed by the secretary of the Cabinet for Health Services from a list of five (5) chairpersons submitted by the Kentucky Association of Regional Mental Health/Mental Retardation Programs;

(u) A consumer and one alternate who is a consumer of mental health or substance abuse services who are over age eighteen (18) appointed by the secretary of the Cabinet for Health Services from a list of up to three (3) consumers submitted by any consumer advocacy organization operating within Kentucky; and

(v) An adult family member and one alternate who is an adult family member of a consumer of mental health or substance abuse services appointed by the secretary of the Cabinet for Health Services from a list of up to three (3) persons submitted by any family advocacy organization operating within Kentucky.

(2) The secretary of the Cabinet for Health Services and one (1) member of the General Assembly appointed to the commission shall serve as co-chairs of the commission.

(3) Members ***designated in paragraphs (a) through (s) of subsection (1) of this section*** shall serve during their terms of office.

(4) Members and alternates designated in paragraphs (t) through (v) of subsection (1) of this section shall serve a term of two (2) years and may be reappointed for one (1) additional term. These members may be reimbursed for travel expenses in accordance with administrative regulations governing reimbursement for travel for state employees.

Section 2. KRS 210.504 is amended to read as follows:

(1) The commission created in KRS 210.502 shall meet as often as necessary to accomplish its purpose but shall meet at least quarterly[~~ during the 2000-2001 biennium, and the first meeting shall be held within six (6) months of April 21, 2000. The commission shall meet at least biennially thereafter,~~] or upon the call of either co-chair, the request of four (4) or more members, or the request of the Governor.

(2) The commission shall receive, integrate, and report[~~, as required by subsection (5) of this section,~~] the findings and recommendations of the regional planning councils ***and may establish work groups to develop statewide recommendations from information and recommendations received from the regional planning councils*** established under KRS 210.506. ***The commission may request the regional planning councils to provide additional information or***

study of particular issues designated by the commission.

(3) The commission shall serve in an advisory capacity to accomplish the following:

(a) Based on information provided under subsection (2) of this section:

1. Assess the needs statewide of individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses;

2. Assess the capabilities of the existing statewide treatment delivery system including gaps in services and the adequacy of a safety net system; and

3. Assess the coordination and collaboration of efforts between public and private facilities and entities ***including but not limited to the Council on Postsecondary Education when assessing workforce issues***, and the roles of the Department for Mental Health and Mental Retardation and the regional community mental health centers, state hospitals, and other providers;

(b) Identify funding needs and related fiscal impact, including Medicaid reimbursement, limitations under government programs and private insurance, and adequacy of indigent care;

(c) Recommend comprehensive and integrated programs for providing mental health and substance abuse services and preventive education to children and youth, utilizing ***schools and*** community resources;

(d) Develop recommendations to decrease the incidence of ***repeated arrests, incarceration, and*** multiple hospitalizations of individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses; and

(e) Recommend an effective quality assurance and consumer satisfaction monitoring program that includes recommendations as to the appropriate role of persons with mental illness, alcohol and other drug abuse disorders, and dual diagnoses, family members, providers, and advocates in quality assurance efforts.

(4) The commission shall develop a comprehensive state plan that ***provides***[~~will provide~~] a template for decision-making regarding program development, funding, and the use of state resources for delivery of the most effective continuum of services in integrated statewide settings appropriate to the needs of the individual with mental illness, alcohol and other drug abuse disorders, and dual diagnoses. ***The state plan shall also include strategies for increasing public awareness and reducing the stigma associated with mental illness and substance abuse disorders.***

(5) [~~Within six (6) months after receiving reports and recommendations from the regional planning councils established under KRS 210.506, the co-chairs of the commission shall present the plan to the Governor and the members of the General Assembly.~~]The state plan shall[~~:~~

~~(a)~~] advise the Governor and the General Assembly concerning the needs statewide of individuals with mental illness, alcohol and other drug disorders, and dual diagnoses[~~;~~] and[

~~(b) Advise the Governor and the General Assembly on~~] whether the recommendations should be implemented by administrative regulations or proposed legislation for the[~~ 2002~~] General Assembly.

(6) The commission shall develop a two (2) year work plan, beginning in 2002, that specifies goals and strategies relating to services and supports for individuals with mental illness and alcohol and other drug disorders and dual diagnoses and efforts to reduce stigma associated with mental illness and substance abuse disorders.

(7) The commission shall review the plan[~~ annually~~] and shall submit annual updates no later than October 1 to the Governor and the Legislative Research Commission.

[~~(7) The commission shall cease to exist four (4) years after April 21, 2000, unless otherwise reauthorized by the General Assembly.~~]

Section 3. KRS 210.506 is amended to read as follows:

(1) The regional community mental health-mental retardation boards established under KRS 210.370 shall institute regional planning councils for the purpose of conducting assessment and strategic planning. The councils shall be attached to the community mental health-mental retardation boards for administrative purposes.

(2) A member of the regional community mental health-mental retardation board shall serve as chair of the regional planning council.

(3) The board shall issue invitations to join the council to no less than two (2) representatives of each of the following groups:

(a) Family members of adults***, older adults,*** and children with mental illness, alcohol and other drug abuse disorders, and dual diagnoses;

(b) Consumers of mental health and substance abuse services;

(c) County officials and business leaders;

(d) Health departments and primary care physicians;

(e) Advocates and community organizations;

(f) Educators and school personnel;

(g) Regional interagency councils established under KRS Chapter 200;

(h) Law enforcement and court personnel;

(i) Public and private ***organizations, agencies, or*** facilities that provide services for mental health and substance abuse ***to the population groups of adults, older adults, and children*** in the region ***that represent***[~~representing~~] inpatient services, outpatient services, residential services, and community-based supportive housing programs;[~~ and~~]

(j) Individuals who provide mental health and substance abuse services ***to the population groups of adults, older adults, and children*** in the region***; and***

(k) Public and private hospitals that provide mental health and substance abuse services.

Section 4. KRS 210.509 is amended to read as follows:

(1) The regional planning councils shall meet as often as necessary to accomplish their purpose.

(2) The regional planning councils shall:

(a) Assess in the region the needs of individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses;

(b) 1. Study the regional mental health and substance abuse treatment delivery system ***and identify specific barriers in each region to accessing services***;

2. Assess the capacity of and gaps in the existing system, including the adequacy of a safety net system ***and the adequacy and availability of the mental health and substance abuse professional work force in each region***; and

3. Assess the coordination and collaboration of efforts between public and private facilities and entities;

(c) Develop a regional strategy to increase access to community-based services and supports for individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses. The strategies may include:

1. Exploration of the use of community-based treatment programs ***including but not limited to community-based hospitalization***;

2. Access to and funding for the most effective medications;

3. Promotion of family and consumer support groups statewide;[~~ and~~]

4. Reduction of instances of criminalization of individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses; ***and***

5. Efforts to increase housing options for persons at risk of institutionalization;

(d) Identify funding needs ***and report to the commission established in Section 1 of this Act about the use of any flexible safety net funding if appropriated by the General Assembly***;

(e) Evaluate the access of children and youth to mental health and substance abuse services and preventive programs within the region, including but not limited to those provided by schools, family resource and youth services centers, public and private mental health and substance abuse providers and facilities, physical health care providers and facilities, the faith community, and community agencies;

(f) Collect and evaluate data regarding individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses who experience repeated hospital admissions, involvement with law enforcement, courts, and the judicial system, and repeated referrals from hospitals to community-based services; ***and***

(g)[~~ Recommend an effective quality assurance and consumer satisfaction monitoring program; and~~

~~(h)~~] Make recommendations on each subsection of this section to the commission established under KRS 210.502 ***by May 1 of each odd-numbered year***[~~within eight (8) months of April 21, 2000~~]. These recommendations may be incorporated into the regional annual plans required by KRS 210.400.

[~~(3) The regional councils shall cease to exist four (4) years after April 21, 2000, unless otherwise authorized by the General Assembly.~~]

Section 5. KRS 210.040 is amended to read as follows:

The Cabinet for Health Services shall:

(1) Exercise all functions of the state in relation to the administration and operation of the state institutions for the care and treatment of persons with mental illness;

(2) Establish or acquire, in accordance with the provisions of KRS 56.440 to 56.550, other or additional facilities for psychiatric care and treatment of persons who are or may become state charges;

(3) Cooperate with other state agencies for the development of a statewide mental health program looking toward the prevention of mental illness and the post-institutional care of persons released from public or private mental hospitals;

(4) Provide for the custody, maintenance, care, and medical and psychiatric treatment of the patients of the institutions operated by the cabinet;

(5) Provide psychiatric consultation for the state penal and correctional institutions, and for the state institutions operated for

children or for persons with mental retardation;

(6) Administer and supervise programs for the noninstitutional care of persons with mental illness;

(7) Administer and supervise programs for the care of persons with chronic mental illness, including but not limited to provision of the following:

(a) Identification of persons with chronic mental illness residing in the area to be served;

(b) Assistance to persons with chronic mental illness in gaining access to essential mental health services, medical and rehabilitation services, employment, housing and other support services designed to enable persons with chronic mental illness to function outside inpatient institutions to the maximum extent of their capabilities;

(c) Establishment of community-based transitional living facilities with twenty-four (24) hour supervision and community-based cooperative facilities with part-time supervision; provided that, no more than either one (1) transitional facility or one (1) cooperative facility may be established in a county containing a city of the first class with any funds available to the cabinet;

(d) Assurance of the availability of a case manager for each person with chronic mental illness to determine what services are needed and to be responsible for their provision;~~[and]~~

(e) Coordination of the provision of mental health and related support services with the provision of other support services to persons with chronic mental illness;

(8) ***Require all providers who receive public funds through state contracts, state grants, or reimbursement for services provided to have formalized quality assurance and quality improvement processes including but not limited to a grievance procedure; and***

(9) Supervise private mental hospitals receiving patients committed by order of a court.

The Committee Amendment No. 1 Title to **HB 177** is as follows:

By amending the title to read "AN ACT relating to services to individuals with mental illness, alcohol and other drug disorders, and dual diagnoses."

The Committee on Appropriations and Revenue reported **HB 244, HB 448,** and **HB 452** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 244, AN ACT relating to environmental protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.46-580 is amended to read as follows:

(1) The General Assembly declares that it is the purpose of this section to promote the development of statewide programs, under the responsibility of a single agency, which are intended to protect the health of the citizens and the environment of the Commonwealth from present and future threats associated with the management of hazardous wastes and the release of toxic chemicals regulated under Title III, Section 313 of the Superfund Amendments and Reauthorization Act of 1986, including disposal, treatment, recycling, storage, and transportation. The intent of the General Assembly is to add to and coordinate, and not replace, existing efforts and responsibilities in the areas of hazardous waste management, toxic chemical manufacture, processing, or other use, and to leave the primary burden and responsibility for hazardous waste and toxic chemical reduction on private industry; and further to finance assistance and coordination by imposing assessments on the generation of hazardous waste. The assessments are intended to produce a reduction in waste generated; to promote the use of new techniques in recycling, treatment, and alternatives other than land disposal; and to place the burden of financing additional hazardous waste management activities necessarily undertaken by state agencies on the users of those products associated with the generation of hazardous waste. The General Assembly further finds that Kentucky's industries need assistance in developing and implementing pollution prevention goals and that a fund should be established to provide technical and financial assistance to those industries.

(2) The Natural Resources and Environmental Protection Cabinet is given the authority to administer the provisions and programs of this section and the responsibility to achieve the purposes of this section.

(3) In addition to all specific responsibilities contained elsewhere in this chapter, the cabinet shall:

(a) Respond effectively and in a timely manner to emergencies created by the release of hazardous substances, as defined in KRS 224.01-400, into the environment. The cabinet shall provide for adequate containment and removal of the hazardous substances in order that the threat of a release or actual release of the substance may be abated and resultant harm to the environment minimized. The provisions of KRS 45A.695 to 45A.725 may be suspended by the cabinet if necessary to respond to an environmental emergency.

(b) Provide for post-closure monitoring and maintenance of hazardous waste disposal sites upon termination of post-closure monitoring and maintenance responsibilities by persons permitted to operate the facility pursuant to this chapter.

(c) Identify, investigate, classify, contain, or clean up any release, threatened release, or disposal of a hazardous substance where responsible parties are economically or otherwise unavailable to properly address the problem and the problem represents an imminent danger to the health of the citizens and the environment of the Commonwealth.

(4) The cabinet shall have the authority to finance the nonfederal share of the cost for clean up of sites under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Pub. L. 96-510).

(5) The cabinet shall recover, when possible, actual and necessary expenditures incurred in carrying out the duties under this section. Any expenditures recovered shall be placed in the hazardous waste management fund.

(6) It is the expressed purpose of this section to accomplish effective hazardous waste and toxic chemical management that results in a reduction of the generation of hazardous wastes and the release of toxic chemicals within the Commonwealth; further, it is a purpose of this chapter to allocate a portion of the cost of administering necessary governmental programs related to hazardous waste and toxic chemical management to those industries whose products are reasonably related to the generation of hazardous waste.

(7) There is hereby imposed upon every person engaged within this state in the generation of hazardous waste an annual hazardous waste assessment to be determined pursuant to this section according to the quantity by weight of hazardous waste generated, except that no assessment shall be levied against generators for any quantity of "special wastes," waste oil, or spent material from air pollution control devices controlling emissions from coke manufacturing facilities. The assessment shall not be imposed upon any person for any quantities of hazardous waste generated by others for which that person is a secondary handler that stores, processes, or reclaims the waste. The assessment shall be reported and paid to the Natural Resources and Environmental Protection Cabinet for the generation of hazardous waste on an annual basis on January 1 of each year. The payment shall be accompanied by a report or return in a form that the cabinet may prescribe. If a federal law is enacted which accomplishes or purports to accomplish the purposes set forth in this section and which levies an assessment or tax upon any business assessed pursuant to this section, the amount of the assessment to be levied upon the business under this section shall be reduced by the amount of the federal assessment or tax upon the business. The reduction shall only be authorized when funds raised by the federal assessment or tax are made available to the state for any of the activities to be funded under this section. If federal moneys are available to carry out the duties imposed by subsection (3) of this section, the assessment shall cease to be levied and collected until such time as federal moneys are no longer available to the Commonwealth for these purposes.~~[The assessment shall be charged against generators of hazardous waste until June 30, 2002. After this date, no further hazardous waste management assessment shall be charged against generators.]~~

(8) The assessment on generators shall be one and two-tenths cents ($0.012) per pound if the waste is liquid, or two-tenths of a cent ($0.002) per pound if the waste is solid.

(a) Hazardous waste that is injected into a permitted underground injection well shall be assessed on a dry weight basis;

(b) Hazardous waste treated, detoxified, solidified, neutralized, recycled, incinerated, or disposed of on-site shall be assessed at one-half (1/2) of the appropriate rate, except for recycled waste used in the steel manufacturing process which shall be exempt; and

(c) Waste that is subject to regulation under Section 402 or 307B of the Federal Clean Water Act shall be exempt.

(9) Except for waste brought into the state by a company to an affiliated manufacturing facility of the company receiving the waste, any person who transports hazardous waste into the state for land disposal or treatment which is generated outside of the state shall pay an assessment to the hazardous waste facility which first receives the waste for storage, treatment, or land disposal. The assessment rate shall be identical to the rate described in subsection (8) of this section. The facility shall remit the assessment to the cabinet on an annual basis on January 1 of each year. The payment shall be accompanied by a return the cabinet shall prescribe.

(10) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may, from any information in its possession, make an estimate and issue an assessment against the generator or hazardous waste facility and add a penalty of ten percent (10%) of the amount of the assessment so determined. This penalty shall be in addition to all other applicable penalties in this chapter.

(11) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet, that the failure is due to reasonable cause, five percent (5%) of the assessment found to be due by the cabinet shall be added to the assessment for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it is filed, but the total penalty shall not exceed twenty-five percent (25%) of the assessment.

(12) If the assessment imposed by this chapter, whether assessed by the cabinet, or the generator, or any installment or portion of the assessment is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the assessment, interest upon the unpaid amount at the rate of eight percent (8%) per annum from the date prescribed for its payment until payment is actually made to the cabinet.

(13) There is hereby created within the State Treasury a trust and agency fund which shall not lapse to be known as the hazardous waste management fund. The fund shall be deposited in an interest-bearing account. The cabinet shall be responsible for collecting and receiving funds as provided in this section, and all such assessments collected or received by the State Treasury shall be deposited in the hazardous waste management fund. All interest earned on the money deposited in the fund shall be deposited to the fund. When the State Treasurer certifies to the cabinet that the uncommitted balance of the hazardous waste management fund exceeds six million dollars ($6,000,000), assessments shall not be collected until the State Treasurer certifies to the cabinet that the balance in the hazardous waste management fund is less than three million dollars ($3,000,000). The implementation of the cap on the fund shall be suspended from July 13, 1990, until July 1, 1991. In addition, for assessments paid after July 1, 1991, the cabinet shall refund or grant a credit against the next assessment to come due, on a pro-rated basis, any money collected in one (1) year in excess of the cap.

(14) There is hereby created within the State Treasury a trust and agency account which shall not lapse to be known as the pollution prevention fund. The fund shall be placed in an interest-bearing account. The fund shall be administered by the Center for Pollution Prevention. The cabinet shall remit to the fund each fiscal year twenty percent (20%) of the funds received by the hazardous waste management fund subject to the enacted budget bill. The cabinet shall provide to the center estimates of the amount of the hazardous waste assessment expected to be collected during each upcoming fiscal year.

(15) Upon request of the secretary, moneys accumulated in the hazardous waste management fund shall be released in amounts necessary to accomplish the performance of the duties imposed by subsection (3) of this section. However, moneys from the fund shall not be used when federal moneys are available to carry out these duties, except when immediate action is required to protect public health or the environment, in which case the cabinet shall actively pursue reimbursement of the fund by any available federal moneys.

(16) If any person responsible for a release or threatened release of a hazardous substance fails to take response actions or to make reasonable progress in completing response actions ordered by the cabinet, the cabinet may bring an action to compel performance or may take appropriate response actions and order the responsible person to reimburse the cabinet for the actual costs incurred by the cabinet.

(17) If disposal activities have occurred at a hazardous waste site, the cabinet shall record in the office of the county clerk in the county in which a waste site is situated a notice containing a legal description of the property that discloses to any potential transferee that the land was used to dispose hazardous waste and that further information on the hazardous waste site may be obtained from the cabinet.

(18) No person shall affect the integrity of the final cover, liners, or any other components of any containment system after closure of a hazardous waste site on or in which hazardous waste remains without prior written approval of the cabinet.

HB 448, AN ACT relating to property taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 96.810 is amended to read as follows:

(1) The board shall devote all moneys derived from any source other than the issuance of bonds to or for the payment of all operating expenses; bond interest and retirement and sinking fund payments; the acquisition and improvement of the electric plant; contingencies; other obligations incurred in the operation and maintenance of the electric plant and the furnishing of electric service; the state, any county, any school district, any municipality, and any other special taxing district in which the board operates, of the same respective amounts as provided in KRS 96.820, or any other additional amounts which the board pursuant to its contract with the Tennessee Valley Authority or other governmental agencies collects as tax equivalents for any taxing jurisdiction if the board contracts with the Tennessee Valley Authority or any governmental agency for the purchase and resale of electrical energy, or if the board does not contract with the Tennessee Valley Authority or any other governmental agency for the purchase or resale of any electrical energy and if it has met all obligations imposed on it by KRS 96.550 to 96.900 it may at the end of any twelve (12) months ending June 30 transfer any surplus to the general fund of the municipality which authorized it; the redemption and purchase of electric plant bonds, in which case the bonds should be canceled; the creation and maintenance of a cash working fund; and the payment of an amount to the general funds of the municipality.

(2) After the establishment of proper reserves, if any, and after complying with the above provisions of this section, any surplus of proceeds shall be devoted solely to the reduction of rates. The equity of the municipality contracting with the Tennessee Valley Authority or other governmental agency for the purchase and resale of electrical power or energy shall be the purchase price of the electric plant, less the face value of outstanding bonds, or, if there is no purchase price, the original cost of the plant as defined by the Federal ***Energy Regulatory***[~~power~~] Commission, less accrued depreciation, less the face value of the outstanding bonds. The payment of bonds or the acquisition or improvement of property from the receipts derived from electric service or any other operation of the board shall not be considered to increase the equity or investment of the municipality.

Section 2. KRS 96.820 is amended to read as follows:

(1) For the purposes of this section, unless the context requires otherwise:

(a) "Taxing jurisdiction" shall mean each county, each school district, each municipality, and each other special taxing district located within the state.

(b) "State" shall mean the Commonwealth of Kentucky.

(c) "Tax equivalent" shall mean the amount in lieu of taxes computed according to this section which is required to be paid by each board to the state and to each taxing jurisdiction in which the board operates and required by subsection (11) of KRS 96.570 to be included in resale rates.

(d) "Tax year" shall mean the twelve (12) calendar-month period ending with December 31.

(e) "Current tax rate" shall mean the actual levied ad valorem property tax rate of the state and of each taxing jurisdiction which is applicable to all property of the same class as a board's property subject to taxation for the tax year involved.

(f) "Book value of property" or "book value of property owned by the board" shall mean the sum of:

1. The original cost (less reasonable depreciation or retirement reserve) of a board's electric plant in service on December 31 of the immediately preceding calendar year located within the state, used and held for use in the transmission, distribution, and generation of electric energy, and

2. The cost of the material and supplies owned by a board on December 31 of the immediately preceding calendar year. For the purpose of this definition, "electric plant in service" shall mean those items included in the "electric plant in service" account prescribed by the Federal ***Energy Regulatory***[~~Power~~] Commission uniform system of accounts for electric utilities, and "material and supplies" shall mean those items included in the accounts grouped under the heading "material and supplies" in the said system of accounts.

(g) "Adjusted book value of property" or "adjusted book value of property owned by the board" shall mean the book value of property owned by the board excluding manufacturing machinery as interpreted by the Revenue Cabinet for franchise tax determination purposes.

(h) The "adjustment factor" shall be one hundred twenty-five percent (125%) for the tax year 1970. For each tax year thereafter, it shall be the duty of the Revenue Cabinet to compute the adjustment factor for that tax year as follows: For each five (5) percentage points or major fraction thereof by which the adjustment ratio for electric utility property for the immediately preceding tax year exceeded or was less than one hundred sixteen percent (116%), five (5) percentage points shall be added to or subtracted from one hundred twenty-five percent (125%). For the purposes of this computation, "adjustment ratio for electric utility property" shall mean the ratio of total assessed value to total property value for all public service corporations distributing electric energy to more than fifty thousand (50,000) retail electric customers within the state. "Total assessed value" shall mean the total actual cash value assigned by the Revenue Cabinet for ad valorem property tax purposes to the property of such corporations located within the state (properly adjusted for property under construction). "Total property value" shall mean the sum of:

1. The depreciated original cost of the total utility plant in service of such corporations within the state, and

2. The book value of material and supplies of such corporations located within the state, both as derived from published reports of the Federal ***Energy Regulatory***[~~Power~~] Commission, or in the absence thereof, from information provided to the Revenue Cabinet by such corporations.

(i) "Electric operations" shall mean all activities associated with the establishment, development, administration, and operation of any electric system and the supplying of electric energy and associated services to the public, including without limitation the generation, purchase, sale, and resale of electric energy and the purchase, use, and consumption thereof by ultimate consumers.

(2) It shall be the duty of each board, on or before ***April 30***[~~March 31~~], to certify to the Revenue Cabinet the book value of property owned by the board and the adjusted book value of property owned by the board and located within the state and within each taxing jurisdiction in which the board operates. A copy of the certification shall also be sent by the board to each such taxing jurisdiction. The book value of property and adjusted book value of property shall be determined, and the books and records of the board shall be kept in accordance with standard accounting practices, and the books and records of each board shall be subject to inspection by the Revenue Cabinet and by representatives of the affected taxing jurisdictions and to adjustment by the Revenue Cabinet if found not to comply with the provisions of this section. Upon the receipt of the required certification from a board, the Revenue Cabinet shall make any inspection and adjustment, hereinabove authorized, as it deems necessary, and no earlier than September 1 of each year the Revenue Cabinet shall certify to the board and to the county clerk of each county in which the board operates the book value of property owned by the board and the adjusted book value of property owned by the board, located within each taxing jurisdiction in which the board operates and within the state. At the same time, the Revenue Cabinet shall certify to the board and to the county clerk the adjustment factor for the tax year. The county clerk shall promptly certify the book value of property, the adjusted book value of property, and the adjustment factor certified by the Revenue Cabinet, to the respective taxing jurisdiction in which the board operates.

(3) (a) Each board shall pay for each tax year, beginning with the tax year 1970, to the state and to each taxing jurisdiction in which the board operates, a tax equivalent from the revenues derived from the board's electric operations for that

tax year, computed according to this subsection.

(b) The tax equivalent for each tax year payable to the state shall be the total of:

1. The book value of the property owned by the board within the state, multiplied by the adjustment factor, multiplied by the current tax rate of the state, less thirty cents ($0.30), plus

2. The state's portion of the amount payable under paragraph (d) of this subsection.

(c) The tax equivalent for each tax year payable to each taxing jurisdiction in which the board operates shall be the total of:

1. The adjusted book value of property owned by the board within the taxing jurisdiction, multiplied by the adjustment factor, multiplied by the current tax rate of the taxing jurisdiction; provided, however, for the purpose of this calculation the tax rate for school districts shall be increased by thirty cents ($0.30), plus

2. The taxing jurisdiction's portion of the amount payable under paragraph (d) of this subsection.

(d) For purposes of this subsection, "amount payable" shall mean four-tenths of one percent (0.4%) of the book value of property owned by the board located within the state. The state shall be paid the same proportion of the amount payable as the payment to the state under subparagraph 1 of paragraph (b) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection. Each taxing jurisdiction in which the board operates shall be paid the same proportion of the amount payable as the payment to the taxing jurisdiction under subparagraph 1 of paragraph (c) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection. Under the regulations the Revenue Cabinet may prescribe, upon the board's receipt from the state and taxing jurisdictions of notice of the amount due under subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection, the board shall compute the portion of the amount payable which is due the state and each taxing jurisdiction in which the board operates.

(e) Payment of the tax equivalent under this section for each tax year shall be made by each board to the state within thirty (30) days after receipt by the board of the certification from the Revenue Cabinet required by subsection (2) of this section and shall be made directly to each taxing jurisdiction in which the board operates within thirty (30) days from the date of the certifications by the county clerk required by subsection (2) of this section. The state and each taxing jurisdiction in which a board operates shall have a superior lien upon the proceeds of the sale of electric energy by that board for the amounts required by this section to be paid to it.

(4) Except as hereinafter provided, the tax equivalents computed under this section shall be in lieu of all state, municipal, county, school district, special taxing district, other taxing district, and other state and local taxes or charges on the tangible and intangible property, the income, franchises, rights, and resources of every kind and description of any municipal electric system operating under KRS 96.550 to 96.900 and on the electric operations of any board established pursuant thereto, and the tax equivalent for any tax year computed and payable under this section to the state or to any taxing jurisdiction in which any board operates shall be reduced by the aggregate amount of any tax or charge within the meaning of this sentence which is imposed by the state, or by any taxing jurisdiction in which a board operates, on the board, the electric system, or the board's electric operations. Provided, however, that if any school district in which property of a board is located has elected, or does hereafter elect, to apply the utility gross receipts license tax for schools to all utility services as provided by KRS 160.613 through KRS 160.617, or as may hereafter be provided by other statutes, the amount of such utility gross receipts license tax shall not reduce, or in any manner affect, the amount payable to any such board or boards under the provisions of this section. It is the intent and purpose of this provision to eliminate all sums received by any such board or boards by reason of the utility gross receipts license tax from any computation of the amount payable under this section to any such board or boards, irrespective of the manner in which that payment is computed, so that, in no event, shall any sum received by any school district by reason of the utility gross receipts license tax reduce, directly or indirectly, the amount payable to such district under this chapter. Provided, further, that if the state shall levy a statewide retail sales or use tax on electric power or energy, collected by retailers of the energy from the vendees or users thereof, and imposed at the same rate or rates as are generally applicable to the sale or use of personal property or services, including natural or artificial gas, fuel oil, and coal as well as electric power or energy, the retail sales or use tax shall not be deemed to be a tax or charge within the meaning of the first sentence of this subsection, and the tax equivalent payable for the tax year to the state under this section shall not be reduced on account of such retail sales or use tax.

(5) (a) Notwithstanding subsection (3) of this section, until the first tax year in which the total of:

1. The tax equivalent payable to the state, or to any taxing jurisdiction in which the board operates, computed under subsection (3) of this section, plus

2. The additional amounts permitted to be paid to the state or taxing jurisdiction without deduction under the second and third sentences of subsection (4) of this section, exceeds the minimum payment to the state or taxing jurisdiction specified in paragraph (b) of this subsection, the tax equivalent for each tax year payable to the state or taxing jurisdiction shall be an amount equal to the minimum payment computed under paragraph (b) of this subsection.

(b) For purposes of this subsection, the minimum payment to the state or to any taxing jurisdiction in which the board operates shall mean an amount equal to the total of:

1. The largest actual payment made by the board pursuant to this section to the state or to the taxing jurisdiction for any of the tax years 1964, 1965, or 1966, plus

2. The state's or taxing jurisdiction's pro rata share of an amount equal to four-tenths of one percent (0.4%) of the increase since July 1, 1964, in the book value of property owned by the board within the state. For the purposes of this paragraph "pro rata share" shall mean the same proportion of the amount computed under this subparagraph as the largest actual payment in lieu of taxes made by the board to the state or taxing jurisdiction for the applicable tax year under subparagraph 1. of this paragraph represents of the total amount of the largest actual payments in lieu of taxes made by the board to the state and to all taxing jurisdictions in which it operated for any of the applicable tax years.

(c) The provisions of paragraph (e) of subsection (3) of this section shall apply to all payments required under this subsection.

(d) This subsection shall not be applicable for the first tax year specified in paragraph (a) of this subsection or for any tax year thereafter, except however, that tax year 1977 shall not be deemed as the "first tax year" as specified in paragraph (a) and this subsection shall continue to apply in such cases.

Section 3. KRS 100.324 is amended to read as follows:

(1) All other provisions of this chapter to the contrary notwithstanding, public utilities operating under the jurisdiction of the Public Service Commission, except as specified in KRS 100.987 and subsection (5) of this section, or the Department of Vehicle Regulation or Federal ***Energy Regulatory***[~~Power~~] Commission, any municipally-owned electric system, and common carriers by rail shall not be required to receive the approval of the planning unit for the location or relocation of any of their service facilities. Service facilities include all facilities of such utilities and common carriers by rail other than office space, garage space, and warehouse space and include office space, garage space, and warehouse space when such space is incidental to a service facility. The Public Service Commission and the Department of Vehicle Regulation shall give notice to the planning commission of any planning unit of any hearing which affects locations or relocations of service facilities within that planning unit's jurisdiction.

(2) The nonservice facilities excluded in subsection (1) of this section must be in accordance with the zoning regulations.

(3) Upon the request of the planning commission, the public utilities referred to in this section shall provide the planning commission of the planning unit affected with information concerning service facilities which have been located on and relocated on private property.

(4) Any proposal for acquisition or disposition of land for public facilities, or changes in the character, location, or extent of structures or land for public facilities, excluding state and federal highways and public utilities and common carriers by rail mentioned in this section, shall be referred to the commission to be reviewed in light of its agreement with the comprehensive plan, and the commission shall, within sixty (60) days from the date of its receipt, review the project and advise the referring body whether the project is in accordance with the comprehensive plan. If it disapproves of the project, it shall state the reasons for disapproval in writing and make suggestions for changes which will, in its opinion, better accomplish the objectives of the comprehensive plan. No permit required for construction or occupancy of such public facilities shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its report, whichever occurs first.

(5) Every utility which proposes to construct an antenna tower for cellular telecommunications services or personal communications services within a county containing a city of the first class shall submit the proposal to the planning commission of the affected planning unit. The planning commission shall review the proposal in light of its agreement with the comprehensive plan and locally-adopted zoning regulations and shall, within sixty (60) days from the date the proposal is submitted, make its final decision and advise the utility in writing whether the proposed construction is in accordance with the comprehensive plan and locally-adopted zoning regulations. If the planning commission fails to issue a final decision within sixty (60) days, it is presumed to have approved the proposal, and may not later appeal a decision of the Public Service Commission under KRS 278.650(3). If the planning commission disapproves of the proposed construction, it shall state the reasons for disapproval in its written decision and may make suggestions which, in its opinion, better accomplish the objectives of the comprehensive plan and the locally-adopted zoning regulations. No permit for construction of a cellular or personal communications services antenna tower, including any certificate of convenience and necessity required to be issued by the Kentucky Public Service Commission, shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its final decision on the utility proposal, whichever occurs first.

Section 4. KRS 132.040 is amended to read as follows:

Each financial institution, as defined in KRS 136.500, shall file with the cabinet on or before ***March 1***[~~January 21~~] of each year, a report setting forth the total amount of its deposits as of the preceding January 1 that are taxable in the name of the depositor under the laws of this state, and shall, on or before March 1 of each year, pay to the cabinet one-thousandth of one percent (.001%) of the amount of the deposits, and may charge to and deduct from the deposit of each depositor the amount of the tax paid on his behalf. Financial institutions shall have liens on the funds belonging to the respective depositors on which the tax has been paid. Any claim for taxes against the depositor by the financial institution paying the taxes shall be asserted within six (6) months after the payment of the taxes to the cabinet, and no claims or liens shall be asserted after that time.

Section 5. KRS 132.180 is amended to read as follows:

(1) Any person having custody of distilled spirits in a bonded warehouse or premises on the day as of which the assessment is made shall be liable for all taxes due thereon, together with all interest and penalties that may accrue. Any owner, proprietor, or custodian of such distilled spirits who pays the taxes, interest and penalties on the distilled spirits shall have a lien thereon for the amount paid, with legal interest from day of payment.

(2)[~~(a)~~] Taxes on distilled spirits which are subject to the provisions of KRS 132.160(1)(a) shall become due and payable in the manner provided by KRS 134.020 except that taxes due the state shall be paid directly to the Revenue Cabinet.

[~~(b) Any owner or proprietor of a bonded warehouse or premises in which distilled spirits are stored upon which taxes have accrued who fails to pay the taxes and interest on distilled spirits within fifteen (15) days after they are due shall be deemed delinquent, and a penalty of eight percent (8%) of each year's taxes due on the distilled spirits shall attach. The officer authorized to collect the taxes shall immediately cause special proceedings to be instituted for the collection of the taxes with such interest and penalties as may be provided by law for the collection of delinquent taxes.~~]

Section 6. KRS 132.290 is amended to read as follows:

(1) Any real property which has not been listed for taxation, for any year in which it is taxable, by the time the board of assessment appeals completes its work for that year shall be deemed omitted property. Any personal property which has not been listed for taxation, for any year in which it is taxable, by ***the due date***[~~April 15~~] of that year shall be deemed omitted property.

(2) All omitted property shall be assessed retroactively in the manner provided by law at any time within five (5) years from the date when it became omitted, but the lien thereby accruing on any such property, except real property, shall not prejudice the rights of bona fide purchasers acquired in the meantime.

(3) All omitted property voluntarily listed shall be subject to a penalty of ten percent (10%) of the amount of taxes, and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is ***paid***[~~prepared in accordance with KRS 133.230~~].

(4) All omitted property not voluntarily listed shall be subject to a penalty of twenty percent (20%) of the amount of taxes, and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is ***paid***[~~prepared in accordance with KRS 133.230~~].

(5) When the property is assessed retroactively by action prosecuted in the manner provided by KRS 132.330 and 132.340, an additional penalty of twenty percent (20%) of the amount of the original tax, interest and penalty may be collected for the purpose provided in KRS 134.400 and paid into the State Treasury. All other penalties and interest shall be distributed in the same manner as the tax.

Section 7. KRS 132.360 is amended to read as follows:

(1) Any assessment of accounts receivable, notes, or bonds or other intangible or tangible personal property that were listed with the property valuation administrator or with the Revenue Cabinet as provided by KRS 132.220 may be reopened by the Revenue Cabinet within five (5) years after the ***due*** date[~~as~~] of ***the return***[~~which they were assessed~~], unless the assessed value thereof is the face value in the case of accounts receivable and notes or the quoted value in the case of bonds, or has been established by a court of competent jurisdiction. If upon reopening the assessment the cabinet finds that the assessment was less than the fair cash value and should be increased, it shall give notice thereof to the taxpayer, who may within ***forty-five (45)***[~~thirty (30)~~] days thereafter protest to the cabinet and offer evidence to show that no increase should be made. After the cabinet has disposed of the protest, the taxpayer may appeal from any such additional assessment as provided by KRS 131.110 and 131.340.

(2) Upon such assessment becoming final the cabinet shall certify the amount due to the taxpayer. The tax bill shall be handled and collected as an omitted tax bill, and the additional tax shall be subject to the same penalties and interest as the tax on omitted property voluntarily listed.

Section 8. KRS 136.140 is amended to read as follows:

(1) If a public service corporation, foreign or domestic, operates and conducts its business in other states as well as in this state, the report required by KRS 136.130 shall show the following additional facts: the cost and year acquired of the operating property operated, owned, or leased, including property under construction, property held for future use, and depreciation attributable thereto for the property in this state as of December 31; and such other facts as the cabinet may require.

(2) All public service corporations included in KRS 136.120 shall file with the report required by KRS 136.130 and this section a copy of all reports to their stockholders and a complete copy of their report to the federal regulating agency if their operations are interstate.

[~~(3) Companies assessed under subsection (4) of KRS 136.120 shall annually, between December 31 and March 31 following, make and deliver to the Revenue Cabinet a report verified by an officer of the corporation in such form as the cabinet may prescribe, showing the following facts: The name and principal place of business of the corporation; the kind of business engaged in; the cost of its rolling stock by types and the depreciation attributable thereto; the average age of the rolling stock by types; the rolling stock mileage made by the rolling stock in Kentucky and the rolling stock mileage made by the rolling stock everywhere for twelve (12) months next preceding December 31 of the year for which the report is required; and such other facts as the cabinet may require.~~]

Section 9. KRS 136.150 is amended to read as follows:

If any corporation fails to report as required by KRS 136.130 and 136.140 on or before ***April 30***[~~March 31~~] of each year, ***or May 30 if the Revenue Cabinet has granted the corporation an extension,*** the Revenue Cabinet shall ascertain the required facts and values in such manner and by such means as it deems proper, at the cost of the corporation failing to make the report.

Section 10. Section 6 of this Act takes effect January 1, 2003.

HB 452, AN ACT relating to monetary penalties in criminal cases.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 23A.205 is amended to read as follows:

(1) Court costs for a criminal case in the Circuit Court shall be ***one hundred dollars ($100)***[~~eighty-two dollars ($82), which shall include the fee mandated in KRS 346.185~~]. ***A late fee of twenty-five dollars ($25) will be assessed if all court costs and fees are not paid within seven (7) days of sentencing.***

(2) ***The taxation of court costs against a defendant, upon conviction in a case, shall be mandatory and shall not be subject to probation, suspension, proration, deduction, or other form of nonimposition in the terms of a plea bargain or otherwise, unless the court, upon motion of the defendant, finds that the defendant is a poor person as defined by KRS 453.190(2) and that he or she is unable to pay court costs and will be unable to pay the court costs in the foreseeable future. These findings shall not be made until a hearing has been held and the court determines that the defendant is able to meet the standards set forth in KRS 534.060(2) and will be unable to pay court costs at any time in the foreseeable future***[~~Except as provided in KRS 346.185, taxation of costs against a defendant, upon conviction, may be probated or suspended at the discretion of the court~~].

(3) ***If the court finds that the defendant does not meet the standard articulated in subsection (2) of this section and that the defendant is nonetheless unable to pay the full amount of the court costs and fees within seven (7) days of sentencing, then the court may establish an installment payment plan whereby the defendant pays the full amount of the court costs, fees, and fines to the circuit clerk in installments of no less than fifty dollars ($50). All court costs and fees under the installment plan shall be paid within one (1) year of the date of sentencing notwithstanding any remaining restitution or other monetary penalty owed by the defendant and arising out of the conviction. Installment payments will be applied first to court costs, then to fees, and then to fines***[~~Additional fees shall be charged in Circuit Court criminal matters as follows:~~

~~(a) Preparing a certification .... $1.00~~

~~(b) Preparing a copy of a document (per page) .... $0.15~~

~~(4) The additional fees required by subsection (3) of this section shall be paid to the clerk at the time the service is requested.~~

~~(5) The circuit clerk shall monthly pay twelve dollars ($12) from each court cost collected pursuant to subsection (1) of this section to the sheriff for the payment of bailiffs for court security as provided for in KRS 64.092. The clerk shall include among his reports to the Administrative Office of the Courts the amounts paid to the sheriff~~].

SECTION 2. A NEW SECTION OF KRS CHAPTER 23A IS CREATED TO READ AS FOLLOWS:

In criminal cases, the following fees shall be charged by the circuit clerk and paid to the clerk at the time the corresponding services are requested:

(1) Preparing an attestation $0.50

(2) Preparing a certification $5.00

(3) Preparing a copy of a document (per page) $0.25

Section 3. KRS 23A.215 is amended to read as follows:

(1) Except as provided in ***subsection***[~~subsections~~] (2)[~~ and (3)~~] of this section, all fees and costs collected pursuant to KRS 23A.200(1) shall be deposited in the general fund of the State Treasury.

(2) Fees consisting of reimbursement for incidental direct outlays, including, but not limited to, postage and legal advertising, may be retained by the clerk and expended for these purposes in accordance with relevant directives of the Administrative Office of the Courts.

(3) ***Additional costs in Circuit Court civil cases authorized by subsection (2) of KRS 23A.200 shall be paid to the sheriff or other officer serving the process***[~~The moneys authorized by subsection (5) of KRS 23A.205 shall be paid monthly to the~~

~~sheriff for use by the sheriff for providing security services and related activities to the court as provided for in KRS 64.092~~].

(4) Filing fees in civil actions shall be recoverable as costs.

(5) No later than the seventh working day of each month the circuit clerk shall pay the funds collected from each court cost collected under Section 1 of this Act to the court cost distribution fund established in Section 9 of this Act and report to the Finance and Administration Cabinet and the Administrative Office of the Courts the amounts deposited into the court cost distribution fund.

Section 4. KRS 24A.175 is amended to read as follows:

(1) Court costs for a criminal case in the District Court shall be ***one hundred dollars ($100), regardless of whether the offense is one for which prepayment is permitted. A late fee of twenty-five dollars ($25) will be assessed if all court costs, fees, and fines are not paid within seven (7) days of sentencing or, in the case of an offense for which prepayment is permitted, prior to trial by the time required on the citation***[~~:~~

~~(a) For an offense for which prepayment is permitted~~
~~and for which prepayment has been made prior to~~
~~trial as required by law .... $49.00~~

~~(b) For an offense for which prepayment is not permitted or~~
~~has not been made .... $74.00~~

~~(c) Court costs designated in paragraph (b) of this subsection shall include the fee mandated by KRS 346.185~~].

(2) There shall be no court costs for a parking citation when:

(a) The fine is paid to the clerk before the trial date in the same manner as provided for speeding citations under KRS 189.394(3); and

(b) The citation does not involve parking in a fire lane or blocking the traveled portion of the highway.

(3)[~~Additional costs shall be assessed in District Court criminal matters as follows:~~

~~(a) Preparing an attestation .... $0.50~~
~~(b) Preparing a certification .... $1.00~~
~~(c) Preparing a copy of a document (per page) .... $0.25~~

~~(4)~~] ***The*** taxation of ***court*** costs against a defendant, upon conviction ***in a case***, including persons sentenced to state traffic school as provided under KRS 186.574, shall be mandatory and shall not be ***subject to probation, suspension, proration, deduction, or other form of nonimposition in the terms of a plea bargain or otherwise, unless the court, upon motion of the defendant, finds that the defendant is a poor person as defined by KRS 453.190(2) and that he or she is unable to pay court costs and will be unable to pay the court costs in the foreseeable future. These findings shall not be made until a hearing has been held and the court determines that the defendant is able to meet the standards set forth in KRS 534.060(2) and will be unable to pay court costs at any time in the foreseeable future***[~~probated or suspended~~].

(4)[~~(5)~~] ***If the court finds that the defendant does not meet the standard articulated in subsection (3) of this section and that the defendant is nonetheless unable to pay the full amount of the court costs, fees, and fines within seven (7) days of sentencing, then the court may establish an installment payment plan whereby the defendant pays the full amount of the court costs, fees, and fines to the circuit clerk in installments of no less than fifty dollars ($50). The court costs, fees, and fines under the installment plan shall be paid within one (1) year of the date of sentencing notwithstanding any remaining restitution or other monetary penalty owed by the defendant and arising out of the conviction. Installment payments will be applied first to court costs, then to fees, and then to fines***[~~The circuit clerk shall, at the time fines and costs are paid over to the state, pay five dollars ($5) from each court cost collected pursuant to subsection (1) of this section to the county treasurer for use by the fiscal court for the sole purpose of defraying the costs of operation of the county jail and the transportation of prisoners and shall include among his reports to the Administrative Office of the Courts the amounts paid to the county.~~

~~(6) The circuit clerk shall, at the time fines and costs are paid over to the state, pay ten dollars ($10) from each court cost collected pursuant to subsection (1) of this section to the State Treasury for the benefit and use of the Kentucky Local Correctional Facilities Construction Authority pursuant to KRS 441.625 to 441.695.~~

~~(7) The circuit clerk shall monthly pay twelve dollars ($12) from each court cost collected pursuant to subsection (1) of this section to the sheriff for use by the sheriff for providing security services and related activities to the court as provided for in KRS 64.092. The clerk shall include among his reports to the Administrative Office of the Courts the amounts paid to the sheriff~~].

SECTION 5. A NEW SECTION OF KRS CHAPTER 24A IS CREATED TO READ AS FOLLOWS:

In criminal cases, the following fees shall be charged by the circuit clerk and paid to the clerk at the time the corresponding services are requested:

(1) Preparing an attestation $0.50

(2)	***Preparing a certification***	***$5.00***
(3)	***Preparing a copy of a document (per page)***	***$0.25.***

Section 6. KRS 24A.180 is amended to read as follows:

(1) Except as provided in subsection (2) of this section all fees and costs collected pursuant to KRS 24A.170(1) shall be deposited in the general fund of the State Treasury.

(2) Fees consisting of reimbursement for incidental direct outlays, including, but not limited to, postage and legal advertising, may be retained by the clerk and expended for these purposes in accordance with relevant directives of the Administrative Office of the Courts.

(3) Additional costs in District Court civil cases authorized by subsection (2) of KRS 24A.170 shall be paid to the sheriff or other officer serving the process.

(4)[~~Costs and additional costs authorized by subsections (1), (2), (3), (4), (5) and (6) of KRS 24A.175 shall be placed in the general fund of the State Treasury and may be appropriated as provided by law.~~

~~(5) The moneys authorized by subsection (7) of KRS 24A.175 shall be paid monthly to the sheriff for use by the sheriff for providing security services and related activities to the court as provided for in KRS 64.092.~~

~~(6)~~] Filing fees in civil actions shall be recoverable as costs.

(5) No later than the seventh working day of each month the circuit clerk shall pay the funds from each court cost collected under Section 4 of this Act to the court cost distribution fund established in Section 9 of this Act and report to the Finance and Administration Cabinet and the Administrative Office of the Courts the amounts deposited into the court cost distribution fund.

Section 7. KRS 30A.200 is amended to read as follows:

All moneys which are deposited with the clerk and which are payable to a third person, not the Commonwealth, or which may become payable to such third person as a result of court action or otherwise shall[~~ be~~]:

(1) ***Be*** logged in the appropriate record of the clerk and the person paying or depositing the money shall be given a receipt;

(2) ***Be*** deposited daily in a bank approved as a state depository bank in a special escrow account or accounts subject to the clerk's withdrawal as required in the daily course of the clerk's business or as may be ordered by a court; ***and***

(3) Not ***be*** subject to the provisions of KRS Chapter 41 relating to the deposit of money in the State Treasury until by action of a court, such as forfeiture of a bond, the money is due and owing to the Commonwealth[~~; and~~

~~(4) In a criminal proceeding or in a proceeding under KRS Chapter 186 to KRS Chapter 189A, assessed a fee of five percent (5%) of the total value of the deposit, which shall be paid by the depositor at the time of making the deposit and which shall be in addition to the amount deposited. The fee shall be deposited by the clerk into a trust and agency account with the Administrative Office of the Courts and is to be used by the circuit clerk to hire additional deputy clerks and for enhancement of deputy clerk salaries to compensate for the additional duties necessitated by this section~~].

Section 8. KRS 31.051 is amended to read as follows:

[~~(1) With the exception of the administrative fee contained in subsection (2) of this section, ~~]All moneys received by the public advocate from indigent defendants pursuant to KRS Chapter 31 or which are collected by the public advocate pursuant to KRS Chapter 431 shall be credited to the public advocate fund of the county in which the trial is held and shall not be credited to any general account maintained by or for the public advocate. Moneys credited to a county public advocate fund may be used only to support the public advocate program of that county.

[~~(2) Any person provided counsel under the provisions of this chapter shall be assessed at the time of appointment, a nonrefundable fifty dollar ($50) administrative fee, payable, at the court's discretion, in a lump sum or in installments. The first payment shall be accompanied by a handling fee of two dollars and fifty cents ($2.50) to be paid directly to the Circuit Clerk and deposited in a trust and agency account to the credit of the Administrative Office of the Courts. The account shall be used to assist the circuit clerks in hiring additional employees and providing salary adjustments for deputy clerks. The court shall reduce or waive the fee if the person does not have the financial resources to pay the fee. In any case or legal action a needy person shall be assessed a total administrative fee of no more than fifty dollars ($50), regardless of the stages of the matter at which the needy person is provided appointed counsel. In the event the defendant fails to pay the fee, the fee shall be deducted from any posted cash bond or shall constitute a lien upon any property which secures the person's bail, regardless of whether the bond is posted by the needy person or another. The failure to pay the fee shall not reduce or in any way affect the rendering of public defender services to the person.~~

~~(3) The administrative fee shall be in addition to any other contribution or recoupment assessed by the court pursuant to KRS 31.120 and shall be collected in accordance with that section.~~

~~(4) The administrative fees collected pursuant to this subsection (2) shall be placed in a special trust and agency account for the Department of Public Advocacy, and the funds shall not lapse.~~

~~(5) If the administrative fee, or any portion thereof, is not paid by the due date, the court's order is a civil judgment subject to collection under Civil Rule 69.03 and KRS Chapter 426.~~]

SECTION 9. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established the court cost distribution fund, which is created to provide a central account into which the court costs collected by all circuit clerks, under subsection (1) of Section 1 of this Act and subsection (1) of Section 4 of this Act, shall be paid.

(2) The fund shall be administered by the Finance and Administration Cabinet, which shall make monthly disbursements from the fund according to the following schedule:

  (a) Forty-nine percent (49.0%) of each court cost shall be paid into the general fund;

  (b) Ten and eight tenths of one percent (10.8%) of each court cost shall be paid into the State Treasury for the benefit and use of the Kentucky Local Correctional Facilities Construction Authority under KRS 441.605 to 441.695;

  (c) Five and one-half percent (5.5%) of each court cost shall be paid into the traumatic brain injury trust fund created in KRS 211.476;

  (d) Five and one-half percent (5.5%) of each court cost shall be paid into the spinal cord and head injury research trust fund created in KRS 211.504;

  (e) Five percent (5.0%) of each court cost shall be paid into a trust and agency account with the Administrative Office of the Courts and is to be used by the circuit clerk to hire additional deputy clerks and to enhance deputy clerk salaries;

  (f) Four and four tenths of one percent (4.4%) of each court cost shall be paid into the crime victims' compensation fund created in KRS 346.185;

  (g) Three and one-half percent (3.5%) of each court cost shall be paid to a special trust and agency account for the Department of Public Advocacy;

  (h) Seven tenths of one percent (0.7%) of each court cost shall be paid to the Justice Cabinet to defray the costs of conducting record checks on prospective firearms purchasers pursuant to the Brady Handgun Violence Prevention Act;

  (i) Ten and one tenth of one percent (10.1%) of each court cost deposited in the fund shall be paid to the county sheriff in the county from which the court cost was received; and

  (j) Five and one-half percent (5.5%) of each court cost deposited in the fund shall be paid to the county treasurer in the county from which the court cost was received and shall be used by the fiscal court in that county for the purposes of defraying the costs of operation of the county jail and the transportation of prisoners.

(3) Any moneys remaining in the fund after the monthly disbursements in subsection (2) shall be paid into the general fund.

Section 10. KRS 64.092 is amended to read as follows:

Compensation of sheriffs and other law enforcement officers or agencies for attending court shall be as follows:

(1) Compensation shall be provided only for the actual time for which the sheriff or other officer is ordered to be physically present in the courtroom or is ordered to be physically present to discharge a duty ordered by the Chief Circuit Judge, Chief District Judge, or Judge of the Court of Appeals, as appropriate.

(2) Compensation shall not be provided for more than one (1) sheriff or other officer per courtroom unless the need for additional personnel is certified in writing by the Chief Circuit Judge, Chief District Judge, or Judge of the Court of Appeals, as appropriate, and the utilization of additional personnel is approved by the Chief Justice, or his designee. In the event of an emergency of such nature precluding contacting the Chief Justice or his designee, the Chief Circuit Judge, Chief District Judge, or Judge of the Court of Appeals may authorize such assignment of additional personnel for a period not to exceed twenty-four (24) hours.

(3) Where a single sheriff or other law enforcement officer serves more than one (1) court or courtroom during a single day, he shall be paid as if he had served only one (1) courtroom during that day. Dual compensation for service during a single day shall not be permitted.

(4) Time, for compensation purposes, shall be computed as the actual time spent in the courtroom pursuant to court direction or order and the actual time spent in other service to the court as directed or ordered by the appropriate judge.

(5) Time spent in court service by a sheriff or other law enforcement officer shall be certified by the judge of the court which the officer attended and by the Chief Judge of the Circuit Court, if the service was to the Circuit Court, or by the Chief Judge of the District Court, if the service was to the District Court.

(6) The sheriff or other law enforcement officer serving a Circuit or District Court shall be compensated at the rate of eight dollars ($8) per hour of service. If service is for a part of an hour, then compensation for such service shall be prorated for the actual number of minutes' service within a given hour.

(7) The sheriff shall receive *the disbursements provided for in paragraph (i) of subsection (2) of Section 9 of this Act*[~~twelve dollars ($12) from each court cost collected pursuant to KRS 23A.205, 23A.215, 24A.175, and 24A.180~~] to help defray the cost of providing security services and related activities to the court. The moneys received by the sheriff under this subsection are authorized official expenses to be considered operating expenses of the sheriff's office and shall not be

considered as part of his compensation.

Section 11. KRS 149.180 is amended to read as follows:

Whenever possible, the secretary for natural resources and environmental protection shall collect the costs of firefighting done and approved as provided in KRS 149.160, from the person responsible for the origin of the fire by his negligence or intent. The recovered costs shall be deposited in a special fund in the Natural Resources and Environmental Protection Cabinet. The recovered costs shall be repaid to the county in which the costs were incurred, if such county has fully paid its annual assessment to the statewide system as provided for in KRS 149.540 for the year in which the fire suppression costs were incurred. If a county is not eligible to receive the recovered costs, the money shall be used by the Division of Forestry to improve fire protection services. The funds so repaid to the county shall be placed in the county forest fire protection fund provided for in KRS 149.590. Any money in the Natural Resources and Environmental Protection Cabinet's special fund upon July 15, 1998, that were not repaid to a county for having failed to fully pay its annual assessment, shall be used by the Division of Forestry to improve fire protection services. In the event the suppression cost is not collected, the Commonwealth's attorney of the county in which the fire occurred shall institute and prosecute the necessary proceedings. ***Costs recovered under this section shall be ordered to be paid directly to the Natural Resources and Environmental Protection Cabinet. The court shall not direct that the costs be paid through the circuit clerk.***

Section 12. KRS 149.430 is amended to read as follows:

(1) If any forest fire shall originate as a result of the violation by any person of any provision of KRS 149.360 to 149.430, such person shall be, in addition to the penalty prescribed under KRS 149.991, liable to the state and to each county for the full amount of all expenses incurred by the state and county respectively in suppressing each fire, such amounts to be recoverable by action brought by the secretary for natural resources and environmental protection in the name of the Commonwealth on behalf of the Commonwealth and by the county attorney on behalf of the county.

(2) In addition to any penalty pursuant to KRS 149.991, any person violating any of the provisions of KRS 149.360 to 149.430 shall be answerable in damages to any persons suffering such damage for the cost incurred in the suppression of any fire resulting from such violation and for damage to property resulting from such fires.

(3) Damages assessed under this section shall be ordered to be paid directly to the Natural Resources and Environmental Protection Cabinet or to any other injured person or organization specified by written order of the court. The court shall not direct that the damages be paid through the circuit clerk.

Section 13. KRS 150.990 is amended to read as follows:

(1) Each bird, fish, or animal taken, possessed, bought, sold, or transported and each device used or possessed contrary to the provisions of this chapter or any administrative regulation promulgated by the commission thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.

(2) Any person who violates any of the provisions of this chapter or any administrative regulations promulgated by the commission thereunder may, in addition to the penalties provided in subsections (3), (4), (5), (6), (7), and (8) of this section, forfeit his license, or if that person is license exempt, may forfeit the privilege to perform the acts authorized by the license and shall not be permitted to purchase another license or exercise the privileges granted by a license during the same license year. No fines, penalty, or judgment assessed or rendered under this chapter shall be suspended, reduced, or remitted otherwise than expressly provided by law. Any person who violates any administrative regulation which has been or may be promulgated by the commission under any provisions of this chapter shall be subject to the same penalty as is provided for the violation of any provisions of this chapter under which the administrative regulation is promulgated.

(3) Any person who violates any of the provisions of KRS 150.120, 150.170, 150.280, 150.320, 150.355, 150.362, 150.400, 150.410, 150.415, 150.416, 150.445, 150.450, 150.470, 150.603, 150.235(1), 150.330(2), or 150.470, or any of the provisions of this chapter or any administrative regulation promulgated by the commission for which no definite fine or imprisonment is fixed shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200).

(4) Any person who violates any of the provisions of KRS 150.290, 150.300, 150.340, 150.360, 150.362(1), 150.485, 150.600, 150.630, 150.660, the provisions of KRS 150.195(5) to (8), or KRS 150.660(3) shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) or be imprisoned for not more than six (6) months, or both. Also, any person violating the provisions of KRS 150.300 shall be assessed treble damages as provided in KRS 150.690 or 150.700. ***Damages assessed under this subsection shall be ordered to be paid directly to the department. The court shall not direct that the damages be paid through the circuit clerk.***

(5) Any person who violates any of the provisions of KRS 150.411, 150.412, or 150.417 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

(6) Any person who violates any of the provisions of KRS 150.183, 150.305, 150.365, 150.370, 150.330(1), or 150.235(2), (3), or (4) shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(7) Any person who violates any of the provisions of KRS 150.460 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both, and in addition to these penalties shall be liable to the department in an amount not to exceed the replacement value of the fish and wildlife which has been killed or destroyed. ***Costs assessed for the restoration of wildlife under this subsection shall be ordered to be***

paid directly to the department. The court shall not direct that the costs be paid through the circuit clerk.

(8) Any person who violates the provisions of KRS 150.180, 150.520, 150.525, or administrative regulations issued thereunder shall for the first offense be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000); and shall for a second offense be fined not less than five hundred dollars ($500) nor more than one thousand five hundred dollars ($1,500); and for any subsequent offense, be fined two thousand dollars ($2,000).

(9) Any person who violates the provisions of KRS 150.520 or administrative regulations issued thereunder shall, if the violation relates to methods of taking mussels, for a first offense be imprisoned in the county jail for no more than thirty (30) days; for a second offense be imprisoned in the county jail for no more than six (6) months; and for any subsequent offense be imprisoned in the county jail for no more than one (1) year. The penalties for violation of ***this*** subsection~~[(9)]~~ shall be in addition to the penalties for violation of subsection (8).

(10) Any person who violates any of the provisions of KRS 150.4111, 150.640, or subsections (2) or (3) of KRS 150.450 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(11) Any person who violates any of the provisions of KRS 150.390 or KRS 150.092(4) shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or imprisoned for not less than thirty (30) days nor more than one (1) year, or both. In addition to the penalties prescribed above, he shall forfeit his license or, if license exempt, the privilege to perform the acts authorized by the license for a period of one (1) to three (3) years and shall be liable to the department in an amount reasonably necessary to replace any deer, wild turkey, or bear taken in violation of KRS 150.390 and for violations of subsection (4) of KRS 150.092 shall be liable to the landowner or occupant for reasonable compensation for damages. ***Wildlife replacement costs assessed under this subsection shall be ordered to be paid directly to the department. The court shall not direct that the damages be paid through the circuit clerk. Damages assessed under this subsection shall be ordered to be paid directly to the landowner or occupant. The court shall not direct that the damages be paid through the circuit clerk.*** Any person who possesses, takes, or molests a wild elk in violation of KRS 150.390 or administrative regulations adopted under authority of that section shall be fined not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) or imprisoned for up to six (6) months, or both. In addition to these penalties, the person shall pay to the department an amount not to exceed the greater of the replacement cost of the wild elk or double any monetary gain realized from the illegal activity and shall forfeit his or her license, or if license exempt, the privilege to perform the acts authorized by the license for a period of one (1) to three (3) years.

(12) Any person who violates any of the provisions of KRS 150.090 other than a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 235, or the administrative regulations issued thereunder shall be guilty of a Class A misdemeanor.

(13) Any person who commits a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 235, or the administrative regulations issued thereunder shall be subject to the penalties specified for the offense under KRS Chapter 507 or 508, as appropriate.

(14) A person shall be guilty of a Class B misdemeanor upon the first conviction for a violation of KRS 150.710. A subsequent conviction shall be a Class A misdemeanor.

(15) Any person who violates the provisions of KRS 150.092 or the administrative regulations promulgated thereunder for which no other penalty is specified elsewhere in this section shall for the first offense be fined not less than one hundred dollars ($100) nor more than three hundred dollars ($300); for the second offense, be fined not less than three hundred dollars ($300) nor more than one thousand dollars ($1,000); and for subsequent offenses, shall forfeit the license, or if license-exempt, the privilege to perform the acts authorized by the license, for one (1) year and shall be fined not less than one thousand dollars ($1,000) or be imprisoned in the county jail for up to one (1) year, or both. In addition to the penalties prescribed in this subsection, the violator shall be liable to the landowner or tenant for the replacement cost of any property which was damaged or destroyed by his actions. ***Damages assessed under this subsection shall be ordered to be paid directly to the landowner or the tenant. The court shall not direct that the damages be paid through the circuit clerk.***

Section 14. KRS 177.978 is amended to read as follows:

(1) All revenues generated ***from the purchase of decals*** pursuant to KRS 177.990~~[(4) and]~~(5) and KRS 177.9771(4) and no other taxes or fees normally assessed on motor carriers shall be credited to a special account within the road fund called the "energy recovery road fund" and any additional funds obtained through state appropriation, gifts, grants and federal funds may be credited to the special account, and shall be used, in addition to those road funds normally used for said highways, exclusively by the Transportation Cabinet for those costs attendant to highway purposes for roads designated as part of the extended weight coal haul road system. All funds in the account shall be carried forward at the end of each year.

(2) All funds credited to the "coal recovery road fund" shall be transferred to the "energy recovery road fund."

Section 15. KRS 186.574 is amended to read as follows:

(1) The Transportation Cabinet shall establish a state traffic school for new drivers and for traffic offenders. The school shall be composed of uniform education and training elements designed to create a lasting influence on new drivers and a corrective influence on traffic offenders. District Courts may in lieu of assessing penalties for traffic offenses, other than

for KRS 189A.010, sentence offenders to state traffic school and no other. The Transportation Cabinet shall enroll a person in state traffic school who fails to complete a driver's education course pursuant to KRS 186.410(5).

(2) If a District Court stipulates in its judgment of conviction that a person attend state traffic school, the court shall indicate this in the space provided on the abstract of conviction filed with the Transportation Cabinet. Upon receipt of an abstract, the Transportation Cabinet, or its representative, shall schedule the person to attend state traffic school. Failure of the person to attend and satisfactorily complete state traffic school in compliance with the court order, may be punished as contempt of the sentencing court.

(3) The Transportation Cabinet shall supervise, operate, and administer state traffic school, and shall promulgate administrative regulations pursuant to KRS Chapter 13A governing facilities, equipment, courses of instruction, instructors, and records of the program. In the event a person sentenced under subsection (1) of this section does not attend or satisfactorily complete state traffic school, the Transportation Cabinet may deny that person a license or suspend the license of that person until he reschedules attendance or completes state traffic school, at which time a denial or suspension shall be rescinded.

(4) Persons participating in the state traffic school as provided in this section shall pay a fee of fifteen dollars ($15) to defray the cost of operating the school, except that if enrollment in state traffic school is to satisfy the requirement of KRS 186.410(4)(c), a fee shall not be assessed. Any funds collected pursuant to KRS 186.535(1) that are dedicated to the road fund for use in the state driver education program may be used for the purposes of state traffic school.

(5) The following procedures shall govern persons attending state traffic school pursuant to this section:

(a) A person convicted of any violation of traffic codes set forth in KRS Chapters 177, 186, or 189, and who is otherwise eligible, may in the sole discretion of the trial judge, be sentenced to attend state traffic school. Upon payment of the fee required by subsection (4) of this section, and upon successful completion of state traffic school, the sentence to state traffic school shall be the person's penalty in lieu of any other penalty, except for the payment of court costs;

(b) Except as provided in KRS 189.990*(27)*[~~(28)~~], a person shall not be eligible to attend state traffic school who has been cited for a violation of KRS Chapters 177, 186, or 189 that has a penalty of mandatory revocation or suspension of an offender's driver's license;

(c) Except as provided in KRS 189.990*(27)*[~~(28)~~], a person shall not be eligible to attend state traffic school for any violation if, at the time of the violation, the person did not have a valid driver's license or the person's driver's license was suspended or revoked by the cabinet;

(d) Except as provided in KRS 189.990*(27)*[~~(28)~~], a person shall not be eligible to attend state traffic school more than once in any one (1) year period, unless the person wants to attend state traffic school to comply with the driver education requirements of KRS 186.410; and

(e) The cabinet shall notify the sentencing court regarding any person who was sentenced to attend state traffic school who was ineligible to attend state traffic school. A court notified by the cabinet pursuant to this paragraph shall return the person's case to an active calendar for a hearing on the matter. The court shall issue a summons for the person to appear and the person shall demonstrate to the court why an alternative sentence should not be imposed.

Section 16. KRS 189.2329 is amended to read as follows:

(1) A person shall not intentionally destroy, remove, injure, or deface a temporary traffic control device erected for the purpose of enhancing traffic safety or worker safety in a highway work zone. A temporary traffic control device shall include, but not be limited to, a cone, tubular marker, delineator, warning light, drum, barricade, sign, sign truck, arrow board, or other device specified in an approved traffic control plan or by an administrative regulation promulgated by the cabinet pursuant to KRS Chapter 13A.

(2) A person who violates the provisions of this section shall, upon conviction, in addition to any other penalty established by statute, be sentenced to pay fifty dollars ($50) for each temporary traffic control device that the person destroyed, removed, injured, or defaced, and the person shall make restitution to the owner of the temporary traffic control device.[~~ All funds collected pursuant to this subsection shall be deposited in the highway work zone safety fund established pursuant to KRS 189.394.~~]

(3) Restitution payments to owners of temporary traffic control devices required to be made under subsection (2) of this section shall be paid directly to the owner of the device as specified by written order of the court. The court shall not direct that the payments be made through the circuit clerk.

Section 17. KRS 189.394 is amended to read as follows:

(1) The fines for speeding in violation of KRS 189.390 shall be:

Mph. Over	Prima Facie or Maximum Speed											
Limit	15	20	25	30	35	40	45	50	55	60	65	Fine
1	16	21	26	31	36	41	46	51	56	61	66	$1
2	17	22	27	32	37	42	47	52	57	62	67	2
3	18	23	28	33	38	43	48	53	58	63	68	3
4	19	24	29	34	39	44	49	54	59	64	69	4
5	20	25	30	35	40	45	50	55	60	65	70	5
6	21	26	31	36	41	46	51	56	61	66	71	16
7	22	27	32	37	42	47	52	57	62	67	72	17
8	23	28	33	38	43	48	53	58	63	68	73	18
9	24	29	34	39	44	49	54	59	64	69	74	19
10	25	30	35	40	45	50	55	60	65	70	75	20
11	26	31	36	41	46	51	56	61	66	71	76	22
12	27	32	37	42	47	52	57	62	67	72	77	24
13	28	33	38	43	48	53	58	63	68	73	78	26
14	29	34	39	44	49	54	59	64	69	74	79	28
15	30	35	40	45	50	55	60	65	70	75	80	30
16	31	36	41	46	51	56	61	66	71	76	81	32
17	32	37	42	47	52	57	62	67	72	77	82	34
18	33	38	43	48	53	58	63	68	73	78	83	36
19	34	39	44	49	54	59	64	69	74	79	84	38
20	35	40	45	50	55	60	65	70	75	80	85	40
21	36	41	46	51	56	61	66	71				43
22	37	42	47	52	57	62	67	72				46
23	38	43	48	53	58	63	68	73				49
24	39	44	49	54	59	64	69	74				52
25	40	45	50	55	60	65	70	75				55

(2) For speeding in excess of the speeds shown on the specific fine schedule the fine shall be not less than sixty dollars ($60) nor more than one hundred dollars ($100).

(3) For any violation shown on the chart for which a specific fine is prescribed, the defendant may elect to pay the fine and court costs to the circuit clerk before the date of his trial or to be tried in the normal manner. Payment of the fine and court costs to the clerk shall be considered as a plea of guilty for all purposes.

(4) If the offense charged shows a speed in excess of the speeds shown on the specific fine schedule the defendant shall appear for trial and may not pay the fine to the clerk before the trial date.

(5)[~~Twelve dollars and fifty cents ($12.50) shall be assessed for violations of KRS 189.390 in addition to the penalties set forth in subsections (1) and (2) of this section. Funds collected pursuant to this subsection shall be deposited in the spinal cord and head injury research trust fund, created pursuant to KRS 211.504, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.502.~~

~~(6) Ten dollars ($10) shall be assessed for violations of KRS 189.390 in addition to the penalties set forth in subsections (1) and (2) and the additional fee established in subsection (3) of this section. Funds collected pursuant to this subsection shall be deposited in the traumatic brain injury trust fund created pursuant to KRS 211.476, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.470 to 211.475.~~

~~(7)~~] If the offense occurred in a highway work zone, the fine established by subsection (1) or (2) of this section shall be doubled.

(6)[~~(8)~~] All fines collected for speeding in a highway work zone in violation of KRS 189.390 shall be deposited into a separate trust and agency account within the Transportation Cabinet known as the "Highway Work Zone Safety Fund." The highway work zone safety fund shall be used exclusively by the Transportation Cabinet to hire or pay for enhanced law enforcement of traffic laws within highway work zones.

Section 18. KRS 189.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2), and (5) of KRS 189.050,

KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.285, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, subsection (4) of KRS 189.456, and 189.960 shall be fined not less than twenty dollars ($20) nor more than one hundred dollars ($100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty dollars ($20) nor more than two thousand dollars ($2,000) or imprisoned in the county jail for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (5) of KRS 189.390 shall be fined not less than eleven dollars ($11) nor more than thirty dollars ($30). Neither court costs nor fees shall be taxed against any person violating paragraph (c) of subsection (5) of KRS 189.390.

(2) (a) Any person who violates the weight provisions of KRS 189.212, 189.221, 189.222, 189.226, 189.230, or 189.270 shall be fined two cents ($0.02) per pound for each pound of excess load when the excess is five thousand (5,000) pounds or less. When the excess exceeds five thousand (5,000) pounds the fine shall be two cents ($0.02) per pound for each pound of excess load, but the fine levied shall not be less than one hundred dollars ($100) and shall not be more than five hundred dollars ($500).

(b) Any person who violates the provisions of KRS 189.271 and is operating on a route designated on the permit shall be fined one hundred dollars ($100); otherwise, the penalties in paragraph (a) of this subsection shall apply.

(c) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, 189.490, or the dimension provisions of KRS 189.212, for which another penalty is not specifically provided shall be fined not less than ten dollars ($10) nor more than five hundred dollars ($500).

(d) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the Department of Vehicle Regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.

(3) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars ($15).

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars ($35) nor more than two hundred dollars ($200).

(4) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100).

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100).

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(5) Any person who violates KRS 189.370 shall for the first offense be fined not less than one hundred dollars ($100) nor more than two hundred dollars ($200) or imprisoned not less than thirty (30) days nor more than sixty (60) days, or both. For each subsequent offense occurring within three (3) years, the person shall be fined not less than three hundred dollars ($300) nor more than five hundred dollars ($500) or imprisoned not less than sixty (60) days nor more than six (6) months, or both. The minimum fine for this violation shall not be subject to suspension. A minimum of six (6) points shall be assessed against the driving record of any person convicted.

(6) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars ($15) in excess of the cost of the repair of the road.

(7) Any person who violates KRS 189.510 or KRS 189.515 shall be fined not less than twenty dollars ($20) nor more than fifty dollars ($50).

(8) Any peace officer who violates subsection (2) of KRS 189.520 shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100).

(9) (a) Any person who violates KRS 189.530(1) shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100), or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.

(b) Any person who violates KRS 189.530(2) shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100).

(10) Any person who violates any of the provisions of KRS 189.550 shall be guilty of a Class B misdemeanor.

(11) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty dollars ($30) nor more than one hundred dollars ($100) for each offense.

(12) The fines imposed by paragraph (a) of subsection (3) and subsections (6) and (7) of this section shall, in the case of a public highway, be paid into the county road fund, and, in the case of a privately owned road or bridge, be paid to the owner. These fines shall not bar an action for damages for breach of contract.

(13) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars ($20) nor more than one hundred dollars ($100) for each offense.

(14) Any person who violates any provision of KRS 189.575 shall be fined not less than twenty dollars ($20) nor more than twenty-five dollars ($25).

(15) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars ($20) nor more than one hundred dollars ($100) for each offense.

(16) Any person who violates restrictions or regulations established by the secretary of transportation pursuant to subsection (3) of KRS 189.231 shall, upon first offense, be fined one hundred dollars ($100) and, upon subsequent convictions, be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisoned for thirty (30) days, or both.

(17) (a) Any person who violates any of the provisions of KRS 189.565 shall be guilty of a Class B misdemeanor.

(b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name the vehicle used in the transportation of inflammable liquids or explosives is licensed, the person shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500). Each violation shall constitute a separate offense.

(18) Any person who abandons a vehicle upon the right-of-way of a state highway for three (3) consecutive days shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100), or imprisoned for not less than ten (10) days nor more than thirty (30) days.

(19) Every person violating KRS 189.393 shall be guilty of a Class B misdemeanor, unless the offense is being committed by a defendant fleeing the commission of a felony offense which the defendant was also charged with violating and was subsequently convicted of that felony, in which case it is a Class A misdemeanor.

(20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157.

(21) A person who elects to operate a bicycle in accordance with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of a regulation shall be fined not less than ten dollars ($10) nor more than one hundred dollars ($100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.

(22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(23) Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars ($25) nor more than three hundred dollars ($300).

(24) Any person who violates the provisions of KRS 189.125(3) shall be fined fifty dollars ($50).

(25) Any person who violates the provisions of KRS 189.125(6) shall be fined an amount not to exceed twenty-five dollars ($25).

(26)~~[Any person who violates any of the provisions of KRS 189.125(3), KRS 189.290, KRS 189.300, KRS 189.340, KRS 189.345, KRS 189.370, KRS 189.393, or KRS 189.505, shall, in addition to any other fine imposed by this chapter, pay an additional fee of ten dollars ($10). Funds collected pursuant to this subsection shall be deposited in the traumatic brain injury trust fund, created pursuant to KRS 211.476, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.470 to 211.478.~~

~~(27)]~~ Fines levied pursuant to this chapter shall be assessed in the manner required by KRS 534.020, in amounts consistent with this chapter. Nonpayment of fines shall be governed by KRS 534.060.

(27)~~[(28)]~~ A licensed driver under the age of eighteen (18) charged with a moving violation pursuant to this chapter as the driver of a motor vehicle may be referred, prior to trial, by the court to a diversionary program. The diversionary program under this subsection shall consist of one (1) or both of the following:

(a) Execution of a diversion agreement which prohibits the driver from operating a vehicle for a period not to exceed forty-five (45) days and which allows the court to retain the driver's operator's license during this period; and

(b) Attendance at a driver improvement clinic established pursuant to KRS 186.574. If the person completes the terms of this diversionary program satisfactorily the violation shall be dismissed.

Section 19. KRS 189A.010 is amended to read as follows:

(1) A person shall not operate or be in physical control of a motor vehicle anywhere in this state:

(a) Having an alcohol concentration of 0.08 or more as measured by a scientifically reliable test or tests of a sample of the person's breath or blood taken within two (2) hours of cessation of operation or physical control of a motor vehicle;

(b) While under the influence of alcohol;

(c) While under the influence of any other substance or combination of substances which impairs one's driving ability;

(d) While under the combined influence of alcohol and any other substance which impairs one's driving ability; or

(e) Having an alcohol concentration of 0.02 or more as measured by a scientifically reliable test or tests of a sample of the person's breath or blood taken within two (2) hours of cessation of operation or physical control of a motor vehicle, if the person is under the age of twenty-one (21).

(2) With the exception of the results of the tests administered pursuant to KRS 189A.103(7), if the sample of the person's blood or breath that is used to determine the alcohol concentration thereof was obtained more than two (2) hours after cessation of operation or physical control of a motor vehicle, the results of the test or tests shall be inadmissible as evidence in a prosecution under subsection (1)(a) or (e) of this section. The results of the test or tests, however, may be admissible in a prosecution under subsection (1)(b) or (d) of this section.

(3) In any prosecution for a violation of subsection (1)(b) or (d) of this section in which the defendant is charged with having operated or been in physical control of a motor vehicle while under the influence of alcohol, the alcohol concentration in the defendant's blood as determined at the time of making analysis of his blood or breath shall give rise to the following presumptions:

(a) If there was an alcohol concentration of less than 0.05 based upon the definition of alcohol concentration in KRS 189A.005, it shall be presumed that the defendant was not under the influence of alcohol; and

(b) If there was an alcohol concentration of 0.05 or greater but less than 0.08 based upon the definition of alcohol concentration in KRS 189A.005, that fact shall not constitute a presumption that the defendant either was or was not under the influence of alcohol, but that fact may be considered, together with other competent evidence, in determining the guilt or innocence of the defendant.

The provisions of this subsection shall not be construed as limiting the introduction of any other competent evidence bearing upon the questions of whether the defendant was under the influence of alcohol or other substances, in any prosecution for a violation of subsection (1)(b) or (d) of this section.

(4) The fact that any person charged with violation of subsection (1) of this section is legally entitled to use any substance, including alcohol, shall not constitute a defense against any charge of violation of subsection (1) of this section.

(5) Any person who violates the provisions of paragraph (a), (b), (c), or (d) of subsection (1) of this section shall:

(a) For the first offense within a five (5) year period, be fined not less than two hundred dollars ($200) nor more than five hundred dollars ($500), or be imprisoned in the county jail for not less than forty-eight (48) hours nor more than thirty (30) days, or both. Following sentencing, the defendant may apply to the judge for permission to enter a community labor program for not less than forty-eight (48) hours nor more than thirty (30) days in lieu of fine or imprisonment, or both. If any of the aggravating circumstances listed in subsection (11) of this section are present while the person was operating or in physical control of a motor vehicle, the mandatory minimum term of imprisonment shall be four (4) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of early release.

(b) For the second offense within a five (5) year period, be fined not less than three hundred fifty dollars ($350) nor more than five hundred dollars ($500) and shall be imprisoned in the county jail for not less than seven (7) days nor more than six (6) months and, in addition to fine and imprisonment, may be sentenced to community labor for not less than ten (10) days nor more than six (6) months. If any of the aggravating circumstances listed in subsection (11) of this section are present, the mandatory minimum term of imprisonment shall be fourteen (14) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of early release.

(c) For a third offense within a five (5) year period, be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) and shall be imprisoned in the county jail for not less than thirty (30) days nor more than twelve (12) months and may, in addition to fine and imprisonment, be sentenced to community labor for not less than ten (10) days nor more than twelve (12) months. If any of the aggravating circumstances listed in subsection (11) of this section are present, the mandatory minimum term of imprisonment shall be sixty (60) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of early release.

(d) For a fourth or subsequent offense within a five (5) year period, be guilty of a Class D felony. If any of the aggravating circumstances listed in subsection (11) of this section are present, the mandatory minimum term of imprisonment shall be two hundred forty (240) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of release.

(e) For purposes of this subsection, prior offenses shall include all convictions in this state, and any other state or jurisdiction, for operating or being in control of a motor vehicle while under the influence of alcohol or other substances that impair one's driving ability, or any combination of alcohol and such substances, or while having an unlawful alcohol concentration, or driving while intoxicated, but shall not include convictions for violating subsection (1)(e) of this section. A court shall receive as proof of a prior conviction a copy of that conviction, certified by the court ordering the conviction.

(6) Any person who violates the provisions of subsection (1)(e) of this section shall have his driving privilege or operator's license suspended by the court for a period of no less than thirty (30) days but no longer than six (6) months, and the person shall be fined no less than one hundred dollars ($100) and no more than five hundred dollars ($500), or sentenced

to twenty (20) hours of community service in lieu of a fine. A person subject to the penalties of this subsection shall not be subject to the penalties established in subsection (5) of this section or any other penalty established pursuant to KRS Chapter 189A, except those established in KRS 189A.040(1).

(7) If the person is under the age of twenty-one (21) and there was an alcohol concentration of 0.08 or greater based on the definition of alcohol concentration in KRS 189A.005, the person shall be subject to the penalties established pursuant to subsection (5) of this section.

(8) For a second or third offense within a five (5) year period, the minimum sentence of imprisonment or community labor shall not be suspended, probated, or subject to conditional discharge or other form of early release. For a fourth or subsequent offense under this section, the minimum term of imprisonment shall be one hundred twenty (120) days, and this term shall not be suspended, probated, or subject to conditional discharge or other form of early release. For a second or subsequent offense, at least forty-eight (48) hours of the mandatory sentence shall be served consecutively.

(9) When sentencing persons under subsection (5)(a) of this section, at least one (1) of the penalties shall be assessed and that penalty shall not be suspended, probated, or subject to conditional discharge or other form of early release.

(10) In determining the five (5) year period under this section, the period shall be measured from the dates on which the offenses occurred for which the judgments of conviction were entered.

(11) For purposes of this section, aggravating circumstances are any one (1) or more of the following:

(a) Operating a motor vehicle in excess of thirty (30) miles per hour above the speed limit;

(b) Operating a motor vehicle in the wrong direction on a limited access highway;

(c) Operating a motor vehicle that causes an accident resulting in death or serious physical injury as defined in KRS 500.080;

(d) Operating a motor vehicle while the alcohol concentration in the operator's blood or breath is 0.18 or more as measured by a test or tests of a sample of the operator's blood or breath taken within two (2) hours of cessation of operation of the motor vehicle;

(e) Refusing to submit to any test or tests of one's blood, breath, or urine requested by an officer having reasonable grounds to believe the person was operating or in physical control of a motor vehicle in violation of subsection (1) of this section; and

(f) Operating a motor vehicle that is transporting a passenger under the age of twelve (12) years old.

[~~(12) Any person who violates the provisions of subsection (1) of this section shall be assessed twenty dollars ($20) in addition to the fines imposed by subsections (5) and (6) of this section. Funds collected pursuant to this subsection shall be deposited in the traumatic brain injury trust fund, created pursuant to KRS 211.476, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.470 to 211.478.~~]

Section 20. KRS 211.474 is amended to read as follows:

The board shall:

(1) Promulgate administrative regulations necessary to carry out the provisions of KRS 211.470 to 211.478;

(2) Formulate policies and procedures for determining individual eligibility for assistance from the trust fund in accordance with the following guidelines:

(a) The trust fund shall serve as a funding source of last resort for residents of the Commonwealth of Kentucky. To be eligible for assistance from the trust fund, an individual must have exhausted all other funding sources that cover the type of services sought through the trust fund. Individuals who have continuing health insurance benefits, including Medicaid, may access the trust fund for services that are needed but not covered by insurance or any other funding source. Individuals who qualify for institutional care through Medicaid shall not qualify for services through the trust fund;

(b) All individuals receiving assistance from the fund shall receive case management services;

(c) Expenditures on behalf of any one (1) brain-injured individual may not exceed fifteen thousand dollars ($15,000) for any twelve (12) month period, and may not exceed a lifetime maximum of sixty thousand dollars ($60,000). At its discretion and subject to fund availability, the board may waive the expenditure or time limitations or both in special circumstances;

(d) Services covered by the trust fund shall include:

1. Case management;
2. Community residential services;
3. Structured day program services;
4. Psychological and mental health services;
5. Prevocational services;
6. Supported employment;

7. Companion services;
8. Respite care;
9. Occupational therapy; and
10. Speech and language therapy;

(e) Covered services shall not include institutionalization, hospitalization, or medications;

(3) Establish a confidential medical registry for traumatic brain and spinal cord injuries occurring in the Commonwealth of Kentucky, or to residents of the Commonwealth of Kentucky.

(a) The board may promulgate administrative regulations requiring licensed or certified professionals or health services providers to report the occurrence of brain and spinal cord injuries, relevant medical and epidemiological information about the injuries, and other information describing the circumstances of the injury to the board or its designated agent. The reporting of data by licensed hospitals under this section shall be limited to that which is reported to the cabinet pursuant to KRS 216.2920 to 216.2929 and the board shall obtain this data from the cabinet. Each licensed hospital shall grant the board, upon presentation of proper identification, access to the medical records of patients with reportable brain and spinal cord injuries for the sole purpose of collecting additional information that is not available in the data obtained from the cabinet. All costs associated with copying medical records shall be borne by the board. No liability of any kind shall arise or be enforced against any licensed hospital or hospital employee for providing the board access to a patient's medical record.

(b) The board and its designated agent, if one is appointed, shall observe the same confidentiality requirements established for the Kentucky birth surveillance registry in KRS 211.670;

(4) Investigate the needs of brain-injured individuals and identify gaps in current services;

(5) Assist the cabinet in developing programs for brain-injured individuals;

(6) Monitor and evaluate services provided by the trust fund; and

(7) ***By January 1 of each year, make an annual report of its activities for the preceding fiscal year to the Office of the State Budget Director and to the Interim Joint Committee on Appropriations and Revenue. Each such report shall set forth a complete operating and financial statement covering its operations during the year***[~~Provide the Governor, the General Assembly, and the Legislative Research Commission an annual report by January 1 of each year summarizing the activities of the board and the trust fund~~].

Section 21. KRS 211.476 is amended to read as follows:

(1) The traumatic brain injury trust fund is created as a separate revolving fund.[~~ The trust fund shall consist of moneys collected from an additional assessment of twenty dollars ($20) imposed on driving under the influence offenses, an additional assessment of ten dollars ($10) imposed against selected speeding offenses, and an additional fine of ten dollars ($10) imposed against selected moving violations.~~]

(2) The trust fund may receive the proceeds from grants, contributions, appropriations, and any other moneys that may be made available for the purposes of the trust fund.

(3) Expenditures from the trust fund on behalf of the medical registry created under KRS 211.474 shall not exceed one hundred twenty-five thousand dollars ($125,000) for any fiscal year.

(4) Funds unexpended at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year.

(5) Any interest earnings of the trust fund shall become a part of the trust fund and shall not lapse to the general fund.

Section 22. KRS 211.500 is amended to read as follows:

(1) The Kentucky Spinal Cord and Head Injury Research Board is hereby created for the purpose of administering the spinal cord and head injury research trust fund created pursuant to KRS 211.504. The board shall be composed of seven (7) members appointed by the Governor as follows:

(a) Two (2) members representing the University of Kentucky College of Medicine;

(b) Two (2) members representing the University of Louisville School of Medicine;

(c) One (1) member who has a spinal cord or head injury or who has a family member with a spinal cord or head injury;

(d) One (1) member representing the Kentucky Medical Association; and

(e) One (1) at-large member.

(2) Board members shall be reimbursed for ordinary travel expenses, including meals and lodging, incurred in the performance of duties incident to the provisions of KRS 211.500 to 211.504.

(3) The terms of board members shall be four (4) years, except that of the members appointed after July 15, 1998, two (2) members appointed to fill the terms ending on June 30, 1999, shall serve until January 31, 2000; two (2) members appointed to fill the terms expiring on June 30, 2000, shall serve until January 31, 2001; two (2) members appointed to fill the terms expiring on June 30, 2001, shall serve until January 31, 2002; and one (1) member appointed to fill the term expiring June 30, 2002, shall serve until January 31, 2003; and subsequent appointments shall be for four (4) year terms

ending on January 31.

(4) At the end of a term, a member shall continue to serve until a successor is appointed and qualifies. A member who is appointed after a term has begun shall serve the rest of the term and until a successor is appointed and qualifies.~~[A member may serve two (2) or more consecutive full four (4) year terms at the discretion of the Governor.]~~.

(5) A majority of the full authorized membership of the board shall constitute a quorum.

(6) The board shall elect, by a majority vote, a chairman who shall be the presiding officer of the board, preside at all meetings, and coordinate the functions and activities of the board. The chairman shall be elected or reelected for each calendar year. The board shall have such other organization as deemed necessary and approved by the board.

(7) Meetings of the board shall be held at least twice a year but may be held more frequently as deemed necessary, subject to call by the chairman or by request of a majority of the board members. Board meetings shall concern, among other things, policy matters relating to spinal cord and head injury research projects and programs, research progress reports, authorization of projects and financial plans, and other matters necessary to carry out the intent of KRS 211.500 to 211.504.

(8) No member of the board shall be subject to any personal liability or accountability for any loss sustained or damage suffered on account of any action or inaction of the board.

(9) The board shall be attached to the Cabinet for Health Services for administrative purposes.

Section 23. KRS 211.502 is amended to read as follows:

The Kentucky Spinal Cord and Head Injury Research Board shall:

(1) Formulate policies and procedures necessary to carry out the provisions of KRS 211.500 to 211.504;

(2) Promulgate administrative regulations necessary to carry out the provisions of KRS 211.500 to 211.504 and to ensure proper expenditure of state funds appropriated for the purposes of KRS 211.500 to 211.504;

(3) Review and authorize spinal cord and head injury research projects and programs to be undertaken and financed under the provisions of KRS 211.500 to 211.504;

(4) Review and approve all progress and final research reports on projects authorized under the provisions of KRS 211.500 to 211.504;

(5) Ensure that state funds, appropriated for spinal cord and head injury research by KRS 211.504 or any other act, are not diverted to any other use; and

(6) ***By January 1 of each year, make an annual report of its activities for the preceding fiscal year to the Office of the State Budget Director and to the Interim Joint Committee on Appropriations and Revenue. Each such report shall set forth a complete operating and financial statement covering its operations***~~[Provide the Governor, the General Assembly, and the Legislative Research Commission an annual report by January 30 of each year showing the status of funds appropriated under the provisions of KRS 211.504 for spinal cord and head injury research]~~ and ***a summary of*** the progress of the board in terms of the results of its spinal cord and head injury research efforts ***during the year***.

Section 24. KRS 211.504 is amended to read as follows:

(1) The revenues received from the ***disbursements provided under paragraph (c) of subsection (2) of Section 9 of this Act***~~[additional penalties imposed by KRS 189.394(5) and the penalties imposed for violations of KRS 189.125]~~ shall be credited to the spinal cord and head injury research trust fund which is hereby created.

(2) Federal funds or other funds which may be made available to supplement or match state funds for spinal cord and head injury research programs provided for by KRS 211.500 to 211.504 shall be credited to the trust fund created in subsection (1) of this section.

(3) Funds deposited to the credit of the spinal cord and head injury research trust fund shall be used to finance the spinal cord and head injury research programs authorized under the provisions of KRS 211.500 to 211.504 and for the operation of the Kentucky Spinal Cord and Head Injury Research Board. Funds for research shall only be used for spinal cord and head injury research undertaken by the University of Kentucky or University of Louisville.

(4) Funds unexpended at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year or biennium, but any surplus shall be included in the budget considered and approved by the board for the ensuing period.

Section 25. KRS 346.040 is amended to read as follows:

The board shall have the following powers and duties:

(1) To establish and maintain necessary offices within this state, appoint employees and agents as necessary, and prescribe their duties and compensation.

(2) To promulgate, amend, and repeal suitable administrative regulations to carry out the provisions and purposes of this chapter, including administrative regulations for the approval of attorney's fees for representation before the board or upon judicial review as provided for in KRS 346.110.

(3) To hear and determine all matters relating to claims for compensation, and the power to reinvestigate or reopen claims without regard to statutes of limitations.

(4) To request from prosecuting attorneys and law enforcement officers investigations and data to enable the board to determine whether, and the extent to which, a claimant qualifies for compensation. The statute providing confidentiality for juvenile session of District Court records does not apply to proceedings under this chapter.

(5) To hold hearings in accordance with the provisions of KRS Chapter 13B. The powers provided in this subsection may be delegated by the board to any member or employee thereof. If necessary to carry out any of its powers and duties, the board may petition any Circuit Court for an order.

(6) To take or cause to be taken affidavits or depositions within or without the state.

(7) To make available for public inspection all board decisions and opinions, administrative regulations, written statements of policy, and interpretations formulated, promulgated, or used by it in discharging its functions.

(8) To publicize widely the availability of reparations and information regarding the claims therefor.

(9) To make an annual report, by January 1 of each year, of its activities for the preceding fiscal year to the Office of the State Budget Director and to the Interim Joint Committee on Appropriations and Revenue. Each such report shall set forth a complete operating and financial statement covering its operations during the year.

Section 26. KRS 346.185 is amended to read as follows:

(1) There is established in the State Treasury the "Crime Victims' Compensation Fund," hereinafter referred to as the "fund," to be administered by the Crime Victims' Compensation Board.[~~In all cases in which defendants plead or are found guilty of a crime as defined in KRS 500.080(2), there shall be imposed as an additional cost the sum of twenty dollars ($20). This sum shall not be suspended or probated. This sum shall be collected in its entirety and shall not be prorated. The clerk of the court shall collect the cost and forward it monthly to the State Treasurer, to be deposited in the fund.~~] Nothing herein shall be construed to limit the power of the court to order additional forms of restitution including public or charitable work or reparation to the victim, to the fund, or otherwise as authorized by law.

(2) The fund shall consist of moneys from the following: appropriations by the General Assembly; the federal government; ***disbursements provided under paragraph (f) of subsection (2) of Section 9 of this Act;***[~~payments by the defendant pursuant to subsection (1) of this section~~] and any other public or private source. Any unexpended balance remaining in the fund at the end of the biennium shall not lapse and be transferred to the general fund, but shall remain in the crime victims' compensation fund. Any funds not utilized by the board shall be used to provide assistance to programs for victims and the board shall allocate such funds to any agency providing services to victims. In the event there are insufficient funds in the fund to pay all claims in full, all claims shall be paid at seventy percent (70%). If there are no moneys in the fund, then no claim shall be paid until moneys have again accumulated. In addition to payment of claims, moneys in the fund shall be used to pay all the necessary and proper expenses of the Crime Victims' Compensation Board.

[~~(3) When judgment is entered against a defendant as provided in this section and each sum, or any part thereof, remains unpaid, there shall be withheld from any disbursement, payment, benefit, compensation, salary, or other transfer of money from the State of Kentucky to such defendant an amount equal to the unpaid amount of the judgment. The amount shall be paid to the crime victims' compensation fund and satisfaction of the judgment shall be entered on the court record. Under no circumstances shall the general revenue fund be used to reimburse court costs or pay for judgment.~~]

Section 27. KRS 431.100 is amended to read as follows:

(1) ***When a money judgment is entered against a defendant in a criminal proceeding and each sum, or any part thereof, remains unpaid, there shall be withheld from any disbursement, payment, benefit, compensation, salary, or other transfer of money from the Commonwealth of Kentucky to such defendant an amount equal to the unpaid amount of the judgment. Under no circumstances shall the general revenue fund be used to reimburse court costs or pay for judgment.***

(2) Except as provided in this section, all fines and forfeitures imposed by law or ordinance shall inure to and vest in the Commonwealth.

[~~(2) Fines and forfeitures imposed by law for violation of KRS 222.202 or ordinances relating to similar subject matter shall inure to and vest in the Commonwealth and shall be placed in a special fund in the State Treasury, which shall not lapse, and which, effective July 1, 1987, shall be used solely by the Cabinet for Health Services for the provision of treatment and counseling programs for alcoholics.~~]

(3)[~~Fines for violation of KRS 512.070 shall be transferred by the circuit clerk to the county treasurer for inclusion in the general fund of the county in which the offense occurs.~~

~~(4) Court costs assessed pursuant to KRS 610.360 shall be placed in a trust and agency account in the State Treasury which shall be subject to appropriation by the General Assembly for the purposes of providing services and programs and for matching funds for grants for providing services and programs to juvenile public offenders.~~

~~(5)~~] The court shall not order a fine, forfeiture, service fee, cost, or any other money due the ***Commonwealth***[~~state~~] or any other public officer paid to any person or organization other than one specifically required by ***the Kentucky Revised Statutes,***[~~statute~~] nor shall a court suspend payment of a fine, forfeiture, service fee, cost, or any other money due the ***Commonwealth***[~~state~~] if the defendant makes a payment to another person or organization***, unless so authorized by the court and the Kentucky Revised Statutes.***

(4) When, as authorized in the Kentucky Revised Statutes, a court does order a fine, forfeiture, service fee, cost, or any other monetary penalty to be paid to a person other than the circuit clerk, notice of this order will be served on the defendant and a copy of the order will be delivered to the person. Such an order constitutes a judgment of the court and carries with it all lawful means of enforcement and collection.

Section 28. KRS 439.179 is amended to read as follows:

(1) Any person sentenced to a jail for a misdemeanor, nonpayment of a fine or forfeiture, or contempt of court, may be granted the privilege of leaving the jail during necessary and reasonable hours for any of the following purposes:

(a) Seeking employment; or

(b) Working at his employment; or

(c) Conducting his own business or other self-employment occupation including, in the case of a woman, housekeeping and attending the needs of her family; or

(d) Attendance at an educational institution; or

(e) Medical treatment.

(2) Unless the privilege is expressly granted by the court, the prisoner shall be sentenced to ordinary confinement. The prisoner may petition the sentencing court for the privilege at the time of sentence or thereafter, and, in the discretion of the sentencing court, may renew his petition. The sentencing court may withdraw the privilege at any time by order entered with or without notice. The jailer shall advise the court in establishing criteria in determining a prisoner's eligibility for work release.

(3) The jailer shall notify the Department for Employment Services, Cabinet for Workforce Development which shall endeavor to secure employment for unemployed prisoners under this section. If a prisoner is employed for wages or salary, they shall, by wage assignment, be turned over to the District Court which shall deposit the same in a trust checking account and shall keep a ledger showing the status of the account of each prisoner. The wages or salary shall not be subject to garnishment of either the employer or the District Court during the prisoner's term, and shall be disbursed only as provided in this section. For tax purposes they shall be the income of the prisoner.

(4) Every prisoner gainfully employed shall be liable for the cost of his board in the jail, for an amount up to twenty-five percent (25%) of the prisoner's gross daily wages, not to exceed forty dollars ($40) per day, but not less than twelve dollars ($12) per day, established by the fiscal court of a county or the urban-county council if an urban-county government. If he defaults, his privilege under this section shall be automatically forfeited. All moneys shall be ***paid directly to the jailer***[~~collected by the District Court~~] and paid to the county treasury for use on the jail as provided in KRS 441.206. The fiscal court of a county or the urban-county council if an urban-county government may, by ordinance, provide that the county furnish or pay for the transportation of prisoners employed under this section to and from the place of employment and require that the costs be repaid by the prisoner.

(5) ***The sentencing court may order the defendant's employer to deduct from the defendant's wages or salary payments for the following purposes***[~~Unless otherwise ordered by the sentencing court, the wages or salaries of employed prisoners shall be disbursed by the District Court on a monthly basis for the following purposes and in the order stated~~]:

(a) The board of the prisoner and transportation costs incurred by the county;

(b) Support of the prisoner's dependents, if any;

(c) Payment, either in full or ratably, of the prisoner's obligations acknowledged by him in writing or which have been reduced to judgment;

(d) The balance, if any, to the prisoner upon his discharge.

(6) The sentencing court ***shall not direct that any payment authorized under this section be paid through the circuit clerk***[~~may direct that its functions under subsections (3) or (5) or both be performed by any bonded public official. The order shall remain in force until rescinded by the District Court~~].

(7) The Department of Corrections shall, at the request of the District Judge, investigate and report on the amount necessary for the support of the prisoner's dependents, and periodically review the prisoner's progress while on leave from the jail and report its findings to the District Judge.

(8) The jailer may refuse to permit the prisoner to exercise his privilege to leave the jail as provided in subsection (1) for any breach of discipline or other violation of jail regulations for a period not to exceed five (5) days.

(9) In counties containing an urban-county form of government, the duties, responsibilities, and obligations vested herein in the Department of Corrections shall be performed by the adult misdemeanant probation and work release agency of the urban-county government.

Section 29. KRS 439.575 is amended to read as follows:

(1) There is hereby created a program for prerelease probation of inmates confined in correctional facilities under the jurisdiction of or under contract to the Department of Corrections.

(2) Any inmate who is in a prerelease program or eligible for a prerelease program as specified by administrative regulations of the Department of Corrections may apply to the sentencing court for prerelease probation.

(3) The court, upon favorable recommendation of the Department of Corrections, may place the inmate on probation under those terms and conditions the court deems necessary, which may include but not need to be limited to those specified in KRS 533.030.

(4) In particular, the court may require that an inmate placed on prerelease probation remain in a half-way house approved by the Department of Corrections and that the probationer pay the cost of his or her lodging in the half-way house and the costs of probation supervision in accordance with applicable statutes for probation supervision and persons granted work release from jail. ***Costs for lodging in a half-way house or other facility approved, but not operated, by the Department of Corrections shall be paid by the defendant directly to the half-way house or other facility at the rate specified by court order or by the Department of Corrections.***

(5) An inmate placed on prerelease probation shall no longer be considered as an inmate of the Department of Corrections but shall be considered as a defendant placed on probation, subject to supervision by the Division of Probation and Parole, or other agency approved by the court, and the orders of the court.

(6) A person placed on prerelease probation by the court who violates the conditions of his or her probation may be dealt with by the court in the same manner as any other person who violates the conditions of probation.

(7) The period of probation under this section shall not exceed the maximum expiration date of the inmate applying for the probation.

Section 30. KRS 441.685 is amended to read as follows:

(1) There is created and established a Kentucky Local Correctional Facilities Construction Authority fund which shall consist of the following:

(a) Rentals received under leases made by the authority pursuant to KRS 441.625 to 441.695;

(b) Appropriations by the General Assembly;

(c) Contributions, grants and gifts from any source, both public and private, which may be used by the authority for any project or projects;

(d) ***Disbursements***[~~Moneys collected and deposited in the State Treasury as~~] provided ***under paragraph (b) of subsection (2) of Section 9 of this Act***[~~by KRS 24A.175(6)~~]; and

(e) All interest earned on investments made by the state from moneys deposited in this fund.

(2) Moneys accruing to this fund shall be deposited by the State Treasurer in the fund's trust and agency account, and shall be invested by the state for the benefit and use of the authority, pending their application to the expenses of the authority and to payments of interest and principal of bonds, notes and other obligations of the authority. Notwithstanding the provisions of the foregoing sentence, at such time or times as the moneys contained in the fund are sufficient to pay the principal on all bonds, notes and obligations of the authority that would become due in the next ensuing twelve (12) month period, the authority may use moneys in the fund in excess thereof for such purposes as provided for in KRS 441.625 to 441.695.

Section 31. KRS 441.695 is amended to read as follows:

By January 1 each year the authority shall make an annual report of its activities for the preceding fiscal year to the ***Office of the State Budget Director***[~~Governor~~] and to the ***Interim Joint Committee on Appropriations and Revenue***[~~General Assembly~~]. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The authority shall provide for an audit of its books and accounts to be made within ninety (90) days after the close of each fiscal year by certified public accountants and the cost thereof may be treated as a part of the cost of construction of the project. Such audits shall be public records within the meaning of KRS 61.870 to 61.884.

Section 32. KRS 532.032 is amended to read as follows:

(1) Restitution to a named victim, if there is a named victim, shall be ordered in a manner consistent, insofar as possible, with the provisions of this section and KRS 439.563, 532.033, 533.020, and 533.030 in addition to any other part of the penalty for any offense under this chapter. The provisions of this section shall not be subject to suspension or nonimposition.

(2) If pretrial diversion is granted, restitution shall be a part of the diversion agreement.

(3) If probation, shock probation, conditional discharge, or other alternative sentence is granted, restitution shall be a condition of the sentence.

(4) If a person is sentenced to incarceration and paroled, restitution shall be made a condition of parole.

(5) Restitution payments ordered under this section shall be paid by the defendant to the clerk or a court-authorized program run by the county attorney or the Commonwealth's attorney of the county.

Section 33. KRS 532.160 is amended to read as follows:

(1) ***If a convicted person is unable to pay all court costs, fees, fines, and other monetary penalties within seven (7) days of sentencing, then*** the sentencing court may***, consistent with Sections 1, 4, 40, and 41 of this Act,*** issue a criminal garnishment order for all fines under KRS Chapter 534 or KRS 346.185 and for court costs, restitution, and reimbursement charges in this chapter.

(2) A criminal garnishment applies to any of the following:

(a) A convicted person's earnings as defined in KRS 427.005;
(b) Indebtedness that is owed to a convicted person by a garnishee for amounts that are not earnings;
(c) Money that is held by a garnishee on behalf of a convicted person;
(d) The convicted person's personal property that is in the possession of a garnishee; or
(e) If the garnishee is a corporation, shares or securities of a corporation or a proprietary interest in a corporation that belongs to a convicted person.

(3) The debt associated with a criminal garnishment shall constitute a charge against the estate of any decedent owing moneys under this chapter.

(4) The sentencing court shall combine all fines, court costs, restitution, and reimbursement charges in a single order of garnishment.

(5) The sentencing court shall require payment of restitution to the victim of the offense before payments of any moneys to the government or a government agency.

(6) The court shall order payments made under this section to be paid by the defendant directly to the person or organization specified by written order of the court. The court shall not order payments of an order of criminal garnishment to be made through the circuit clerk, except for those payments due from a person under the supervision of the Department of Corrections.

Section 34. KRS 532.220 is amended to read as follows:

The conditions of home incarceration shall include the following:

(1) The home incarceree shall be confined to his home at all times except when:
(a) Working at approved employment or traveling directly to and from such employment;
(b) Seeking employment;
(c) Undergoing available medical, psychiatric, or mental health treatment or approved counseling and after care programs;
(d) Attending an approved educational institution or program;
(e) Attending a regularly scheduled religious service at a place of worship; and
(f) Participating in an approved community work service program;

(2) Violation of subsection (1) of this section may subject the home incarceree to prosecution under KRS 520.030 (escape);

(3) The home incarceree shall conform to a schedule prepared by a designated officer of the supervising authority specifically setting forth the times when he may be absent from the home and the locations where he may be during those times;

(4) The home incarceree shall not commit another offense during the period of time for which he is subject to the conditions of home incarceration;

(5) The home incarceree shall not change the place of home incarceration or the schedule without prior approval of the supervising authority;

(6) The home incarceree shall maintain a telephone or other approved monitoring device in the home or on his person at all times;

(7) Any other reasonable conditions set by the court or the supervising authority including:
(a) Restitution under KRS 533.030;
(b) Supervision fees under KRS 439.315; and
(c) Any of the conditions imposed on persons on probation or conditional discharge under KRS 533.030(2); and

(8) A written and notarized consent agreement shall be filed with the court by every adult who will share the offender's home during the term of home incarceration.

(9) Any supervision fee or other monetary condition, except restitution, shall be paid by the defendant directly to the person or organization specified by the court in a written order, except that any such fees or monetary conditions owed to the Department of Corrections shall be paid through the circuit clerk.

Section 35. KRS 532.352 is amended to read as follows:

(1) The sentencing court may order a person who is sentenced to a term of incarceration for any nonstatus juvenile offense, moving traffic violation, criminal violation, misdemeanor, or Class D felony offense to reimburse the state or local government for the costs of his incarceration. The reimbursements paid under this subsection shall be credited to the local government sinking fund.

(2) The sentencing court shall determine the amount of incarceration costs to be paid based on the following factors:
(a) The actual per diem, per person, cost of incarceration;
(b) The cost of medical services provided to a prisoner less any copayment paid by the prisoner; and
(c) The prisoner's ability to pay all or part of his incarceration costs.

(3) Reimbursement of incarceration costs shall be paid by the defendant directly to the jailer in the amount specified by written order of the court. Incarceration costs owed to the Department of Corrections shall be paid through the circuit clerk.

Section 36. KRS 532.356 is amended to read as follows:

(1) Upon a person's conviction and sentencing for any nonstatus juvenile offense, moving traffic violation, criminal violation, misdemeanor, or Class D felony offense, the court shall impose the following sanctions in addition to any imprisonment, fine, court cost, or community service:

(a) Reimbursement to the state or local government for the person's incarceration, determined by the per person, per diem, expenses of each prisoner incarcerated by the respective local government, times the number of days he has spent or shall spend in confinement, plus any medical services received by the prisoner, less copayments paid by the prisoner. The convicted person's ability to pay all or part of the reimbursement shall be considered by the sentencing court in imposing the sanction; and

(b) Restitution to the crime victim as set out in KRS 439.563, 532.032, and 532.033.

(2) In addition to any other penalty allowed by law, a court may declare the defendant ineligible to operate a motor vehicle for a period of up to sixty (60) days where the defendant is being sentenced for a conviction of KRS 514.030 involving the theft of gasoline or special fuels from a retail establishment and the defendant has been previously convicted of KRS 514.030 for a theft of gasoline or special fuels from a retail establishment. A retail establishment may post a sign at the location where the fuel is dispensed apprising the public of the sanctions available under this subsection.

(3) Sanctions imposed by the sentencing court shall become a judgment of the court. ***Reimbursement of incarceration costs shall be paid by the defendant directly to the jailer in the amount specified by written order of the court. Incarceration costs owed to the Department of Corrections shall be paid through the circuit clerk.***

Section 37. KRS 533.010 is amended to read as follows:

(1) Any person who has been convicted of a crime and who has not been sentenced to death may be sentenced to probation, probation with an alternative sentencing plan, or conditional discharge as provided in this chapter.

(2) Before imposition of a sentence of imprisonment, the court shall consider probation, probation with an alternative sentencing plan, or conditional discharge. Unless the defendant is a violent felon as defined in KRS 439.3401 or a statute prohibits probation, shock probation, or conditional discharge, after due consideration of the nature and circumstances of the crime and the history, character, and condition of the defendant, probation or conditional discharge shall be granted, unless the court is of the opinion that imprisonment is necessary for protection of the public because:

(a) There is substantial risk that during a period of probation or conditional discharge the defendant will commit another crime;

(b) The defendant is in need of correctional treatment that can be provided most effectively by his commitment to a correctional institution; or

(c) A disposition under this chapter will unduly depreciate the seriousness of the defendant's crime.

(3) In the event the court determines that probation is not appropriate after due consideration of the nature and circumstances of the crime, and the history, character, and condition of the defendant, probation with an alternative sentencing plan shall be granted unless the court is of the opinion that imprisonment is necessary for the protection of the public because:

(a) There is a likelihood that during a period of probation with an alternative sentencing plan or conditional discharge the defendant will commit a Class D or Class C felony or a substantial risk that the defendant will commit a Class B or Class A felony;

(b) The defendant is in need of correctional treatment that can be provided most effectively by commitment to a correctional institution; or

(c) A disposition under this chapter will unduly depreciate the seriousness of the defendant's crime.

(4) The court shall not determine that there is a likelihood that the defendant will commit a Class C or Class D felony based upon the fact that:

(a) The defendant has never been convicted of, pled guilty to, or entered an Alford plea to a felony offense;

(b) If convicted of, having pled guilty to, or entered an Alford plea to a felony offense, the defendant successfully completed probation more than ten (10) years immediately prior to the date of the commission of the felony for which the defendant is now being sentenced and has had no intervening convictions, pleas of guilty, or Alford pleas to any criminal offense during that period; or

(c) The defendant has been released from incarceration for the commission of a felony offense more than ten (10) years immediately prior to the date of the commission of the felony for which the defendant is now being sentenced and has had no intervening convictions, pleas of guilty, or Alford pleas to any criminal offense during that period.

(5) In making a determination under subsection (4) of this section, the court may determine that the greater weight of the evidence indicates that there is a likelihood that the defendant will commit a Class C or Class D felony.

(6) Upon initial sentencing of a defendant or upon modification or revocation of probation, when the court deems it in the best

interest of the public and the defendant, the court may order probation with the defendant to serve one (1) of the following alternative sentences:

(a) To a halfway house for no more than twelve (12) months;

(b) To home incarceration with or without work release for no more than twelve (12) months;

(c) To jail for a period not to exceed twelve (12) months with or without work release, community service and other programs as required by the court;

(d) To a residential treatment program for the abuse of alcohol or controlled substances; or

(e) To any other specified counseling program, rehabilitation or treatment program, or facility.

(7) If during the term of the alternative sentence the defendant fails to adhere to and complete the conditions of the alternative sentence, the court may modify the terms of the alternative sentence or may modify or revoke probation and alternative sentence and commit the defendant to an institution.

(8) In addition to those conditions that the court may impose, the conditions of alternative sentence shall include the following and, if the court determines that the defendant cannot comply with them, then they shall not be made available:

(a) A defendant sentenced to a halfway house shall:

1. Be working or pursuing his or her education or be enrolled in a full-time treatment program;

2. Pay restitution during the term of probation; and

3. Have no contact with the victim of the defendant's crime;

(b) A defendant sentenced to home incarceration shall:

1. Be employed by another person or self-employed at the time of sentencing to home incarceration and continue the employment throughout the period of home incarceration, unless the court determines that there is a compelling reason to allow home incarceration while the defendant is unemployed;

2. Pay restitution during the term of home incarceration;

3. Enter a treatment program, if appropriate;

4. Pay all or some portion of the cost of home incarceration as determined by the court;

5. Comply with other conditions as specified; and

6. Have no contact with the victim of the defendant's crime;

(c) A defendant sentenced to jail with community service shall:

1. Pay restitution during all or some part of the defendant's term of probation; and

2. Have no contact with the victim of the defendant's crime; or

(d) A defendant sentenced to a residential treatment program for drug and alcohol abuse shall:

1. Undergo mandatory drug screening during term of probation;

2. Be subject to active, supervised probation for a term of five (5) years;

3. Undergo aftercare as required by the treatment program;

4. Pay restitution during the term of probation; and

5. Have no contact with the victim of the defendant's crime.

(9) When the court deems it in the best interest of the defendant and the public, the court may order the person to work at community service related projects under the terms and conditions specified in KRS 533.070. Work at community service related projects shall be considered as a form of conditional discharge.

(10) Probation with alternative sentence shall not be available as set out in KRS 532.045 and 533.060, except as provided in KRS 533.030***(5)***[~~(6)~~].

(11) The court may utilize a community corrections program authorized or funded under KRS Chapter 196 to provide services to any person released under this section.

(12) When the court deems it in the best interest of the defendant and the public, the court may order the defendant to placement for probation monitoring by a private agency. The private agency shall report to the court on the defendant's compliance with his terms of probation or conditional discharge. The defendant shall be responsible for any reasonable charges which the private agency charges.

(13) The jailer in each county incarcerating Class D felons may deny work release privileges to any defendant for violating standards of discipline or other jail regulations. The jailer shall report the action taken and the details of the violation on which the action was based to the court of jurisdiction within five (5) days of the violation.

(14) The Department of Corrections shall, by administrative regulation, develop written criteria for work release privileges granted under this section.

(15) ***Reimbursement of incarceration costs shall be paid directly to the jailer in the amount specified by written order of the***

court. Incarceration costs owed to the Department of Corrections shall be paid through the circuit clerk.

(16) The court shall enter into the record written findings of fact and conclusions of law when considering implementation of any sentence under this section.

Section 38. KRS 533.020 is amended to read as follows:

(1) When a person who has been convicted of an offense or who has entered a plea of guilty to an offense is not sentenced to imprisonment, the court shall place him on probation if he is in need of the supervision, guidance, assistance, or direction that the probation service can provide. Conditions of probation shall be imposed as provided in KRS 533.030, but the court may modify or enlarge the conditions or, if the defendant commits an additional offense or violates a condition, revoke the sentence at any time prior to the expiration or termination of the period of probation. ***When setting conditions under this subsection, the court shall not order any defendant to pay incarceration costs or any other cost permitted to be ordered under Section 37 of this Act, or other statute, except restitution and any costs owed to the Department of Corrections, through the circuit clerk.***

(2) When a person who has been convicted of an offense or who has entered a plea of guilty to an offense is not sentenced to imprisonment, the court may sentence him to probation with an alternative sentence if it is of the opinion that the defendant should conduct himself according to conditions determined by the court and that probationary supervision alone is insufficient. The court may modify or enlarge the conditions or, if the defendant commits an additional offense or violates a condition, revoke the sentence at any time prior to the expiration or termination of the alternative sentence.

(3) When a person who has been convicted of an offense or who has entered a plea of guilty to an offense is not sentenced to imprisonment, the court may sentence him to conditional discharge if it is of the opinion that the defendant should conduct himself according to conditions determined by the court but that probationary supervision is inappropriate. Conditions of conditional discharge shall be imposed as provided in KRS 533.030, but the court may modify or enlarge the conditions or, if the defendant commits an additional offense or violates a condition, revoke the sentence at any time prior to the expiration or termination of the period of conditional discharge.

(4) The period of probation, probation with an alternative sentence, or conditional discharge shall be fixed by the court and at any time may be extended or shortened by duly entered court order. Such period, with extensions thereof, shall not exceed five (5) years, or the time necessary to complete restitution, whichever is longer, upon conviction of a felony nor two (2) years, or the time necessary to complete restitution, whichever is longer, upon conviction of a misdemeanor. Upon completion of the probationary period, probation with an alternative sentence, or the period of conditional discharge, the defendant shall be deemed finally discharged, provided no warrant issued by the court is pending against him, and probation, probation with an alternative sentence, or conditional discharge has not been revoked.

(5) Notwithstanding the fact that a sentence to probation, probation with an alternative sentence, or conditional discharge can subsequently be modified or revoked, a judgment which includes such a sentence shall constitute a final judgment for purposes of appeal.

Section 39. KRS 533.030 is amended to read as follows:

(1) The conditions of probation and conditional discharge shall be such as the court, in its discretion, deems reasonably necessary to insure that the defendant will lead a law-abiding life or to assist him to do so. The court shall provide as an explicit condition of every sentence to probation or conditional discharge that the defendant not commit another offense during the period for which the sentence remains subject to revocation.

(2) When imposing a sentence of probation or conditional discharge, the court may, in addition to any other reasonable condition, require that the defendant:

(a) Avoid injurious or vicious habits;

(b) Avoid persons or places of disreputable or harmful character;

(c) Work faithfully at suitable employment as far as possible;

(d) Undergo available medical or psychiatric treatment and remain in a specific institution as required for that purpose;

(e) Post a bond, without surety, conditioned on performance of any of the prescribed conditions;

(f) Support his dependents and meet other family responsibilities;

(g) Pay the cost of the proceeding as set by the court;

(h) Remain within a specified area;

(i) Report to the probation officer as directed;

(j) Permit the probation officer to visit him at his home or elsewhere;

(k) Answer all reasonable inquiries by the probation officer and promptly notify the probation officer of any change in address or employment; and

(l) [~~If the defendant's record indicates a controlled substance or alcohol problem,~~]Submit to periodic testing for ***the*** use of controlled substances or alcohol***, if the defendant's record indicates a controlled substance or alcohol problem,*** and ***to*** pay a reasonable fee, ***as determined by the court, which fee shall*** not[~~ to~~] exceed the actual cost of the test and analysis ***and shall***[~~, as determined by the court, said fee to~~] be ***paid directly***[~~collected by the circuit~~

~~clerk, held in an agency account, and disbursed, on court order, solely]~~ to the agency or agencies responsible for testing and analysis as compensation for the cost of the testing and analysis***, as specified by written order of the court,*** performed under this subsection. For good cause shown, the testing fee may be waived by the court.

(3) When imposing a sentence of probation or conditional discharge in a case where a victim of a crime has suffered monetary damage as a result of the crime due to his property having been converted, stolen, or unlawfully obtained, or its value substantially decreased as a result of the crime, or where the victim suffered actual medical expenses, direct out-of-pocket losses, or loss of earning as a direct result of the crime, or if as a direct result of the crime the victim incurred medical expenses that were paid by the Cabinet for Health Services, the Crime Victims Compensation Board, or any other governmental entity, the court shall order the defendant to make restitution in addition to any other penalty provided for the commission of the offense. Payment of restitution to the victim shall have priority over payment of restitution to any government agency. Restitution shall be ordered in the full amount of the damages, unless the damages exceed one hundred thousand dollars ($100,000) or twice the amount of the gain from the commission of the offense, whichever is greater, in which case the higher of these two (2) amounts shall be awarded. The court may, in lieu of ordering monetary restitution, order the defendant to make restitution by working for or on behalf of the victim. The court shall determine the number of hours of work necessary by applying the then-prevailing federal minimum wage to the total amount of monetary damage caused by or incidental to the commission of the crime. The court may, with the consent of the agency, order the defendant to work as specified in KRS 533.070. Any work ordered pursuant to this section shall not be deemed employment for any purpose, nor shall the person performing the work be deemed an employee for any purpose. Where there is more than one (1) defendant or more than one (1) victim, restitution may be apportioned. Restitution shall be subject to the following additional terms and conditions:

(a) Where property which is unlawfully in the possession of the defendant is in substantially undamaged condition from its condition at the time of the taking, return of the property shall be ordered in lieu of monetary restitution;

(b) The circuit clerk shall assess an additional fee of five percent (5%) to defray the administrative costs of collection of payments or property. This fee shall be paid by the defendant and shall inure to a trust and agency account which shall not lapse and which shall be used to hire additional deputy clerks and office personnel or increase deputy clerk or office personnel salaries, or combination thereof;

(c) When a defendant fails to make restitution ordered to be paid through the circuit clerk ***or a court-authorized program run by the county attorney or the Commonwealth's attorney***, the circuit clerk ***or court-authorized program*** shall notify the court; and

(d) An order of restitution shall not preclude the owner of property or the victim who suffered personal physical or mental injury or out-of-pocket loss of earnings or support or other damages from proceeding in a civil action to recover damages from the defendant. A civil verdict shall be reduced by the amount paid under the criminal restitution order.

(4) ***When requiring fees for controlled substances or alcohol tests, or other fees and payments authorized by this section or other statute, except restitution, to be paid by the defendant, the court shall not order the payments to be paid through the circuit clerk***~~[In addition to any other terms and conditions imposed under this section, the court may require the probationer, as a condition of his probation, to make one (1) payment to a crime stoppers organization in an amount not to exceed the amount of the reward paid by a crime stoppers organization, as defined by KRS 431.570, relative to the probationer.~~

~~(5) In addition to any other terms and conditions imposed under this section, the court may require the probationer, as a condition of probation or conditional discharge of a sentence of detention or imprisonment for a drug or alcohol related offense, to make one (1) payment either to Drug Abuse Resistance Education (D.A.R.E.) or to any treatment or prevention program for drug or alcohol abuse that a local government administers, refers individuals to, or contracts to administer, in an amount not to exceed the amount of any fine which also could have been imposed for the offense~~].

(5)~~[(6)]~~ When a defendant is sentenced to probation or conditional discharge, he shall be given a written statement explicitly setting forth the conditions under which he is being released.

(6)~~[(7)]~~ When imposing a sentence of probation or conditional discharge, the court, in addition to conditions imposed under this section, may require as a condition of the sentence that the defendant submit to a period of imprisonment in the county jail or to a period of home incarceration at whatever time or intervals, consecutive or nonconsecutive, the court shall determine. The time actually spent in confinement or home incarceration pursuant to this provision shall not exceed twelve (12) months or the maximum term of imprisonment assessed pursuant to KRS Chapter 532, whichever is the shorter. Time spent in confinement or home incarceration under this subsection shall be credited against the maximum term of imprisonment assessed for the defendant pursuant to KRS Chapter 532, if probation or conditional discharge is revoked and the defendant is sentenced to imprisonment. Any prohibitions against probation, shock probation, or conditional discharge under KRS 533.060(2) or 532.045 shall not apply to persons convicted of a misdemeanor or Class D felony and sentenced to a period of confinement or home incarceration under this section.

Section 40. KRS 534.020 is amended to read as follows:

(1) When a defendant is sentenced to pay a fine ***under KRS 534.030***, the court may provide for payment to be made within a specified period of time or in specified installments. If no such provision is made a part of the sentence, the fine shall be

payable forthwith. ***If the defendant fails to comply with subsection (1) of Section 1 of this Act, then any installment plan under this section shall be consistent with subsection (3) of Section 1 of this Act.***

(2) ***When a defendant is sentenced to pay a fine under KRS 534.040, the court shall proceed as provided in Section 4 of this Act.***

(3) When a defendant is sentenced to pay a fine, an alternative sentence of imprisonment that is to be served in the event the fine is not paid shall not be imposed at the same time. The response of a court to nonpayment of a fine shall be determined only after the fine has not been paid, and[~~ only~~] as provided in ***Section 4 of this Act or Section 41 of this Act***[~~KRS 534.060~~].

Section 41. KRS 534.060 is amended to read as follows:

(1) When an individual sentenced to pay a fine defaults in the payment of the fine or any installment, the court upon motion of the prosecuting attorney or upon its own motion may require him to show cause why he should not be imprisoned for nonpayment. The court may issue a warrant of arrest or a summons for his appearance.

(2) Following an order to show cause under subsection (1), unless the defendant shows that his default was not attributable to an intentional refusal to obey the sentence of the court and not attributable to a failure on his part to make a good faith effort to obtain the necessary funds for payment, the court may order the defendant imprisoned for a term not to exceed:

(a) Six (6) months, if the fine was imposed for the conviction of a felony; or

(b) One-third (1/3) of the maximum authorized term of imprisonment for the offense committed, if the fine was imposed for conviction of a misdemeanor; or

(c) Ten (10) days, if the fine was imposed for conviction of a violation.

(3) If the default in payment of a fine is determined to be excusable under the standards set forth in subsection (2), the court may enter an order allowing the defendant additional time for payment, reducing the amount of each installment ***to no less than fifty dollars ($50)***[~~, or modifying the manner of payment in any other way~~]. In addition the court may enter an order compelling the defendant to work for a department of local government, if:

(a) Such department, through appropriate authority, approves the defendant's employment;

(b) Such department will pay the defendant for his work at a reasonable rate of compensation;

(c) The defendant is not otherwise gainfully employed nor medically disabled; and

(d) Such employment will not cause economic hardship to the defendant or his dependents.

In the event such an order is entered the court shall designate the portion of the defendant's compensation that is to be credited toward payment of his fine, which in no event shall be more than forty percent (40%) of gross compensation.

(4) When a fine is imposed on a corporation, it is the duty of the person or persons authorized to make disbursement of the assets of the corporation and their superiors to pay the fine from assets of the corporation. The failure of such persons to do so shall render them subject to imprisonment under subsections (1) and (2).

(5) Following a default in the payment of a fine or any installment thereof, the fine may be collected by any means authorized for the enforcement of money judgments rendered in favor of the Commonwealth.

Section 42. KRS 534.045 is amended to read as follows:

(1) Pursuant to a conviction of a misdemeanor, including traffic offenses, where a person is sentenced to incarceration in the county jail, the District Court may assess a reimbursement fee to help defray the expenses of the prisoner's room and board. The reimbursement fee shall not exceed twenty-five percent (25%) of the prisoner's gross daily wages or forty dollars ($40) per day, whichever is less. All moneys shall be ***paid directly to the jailer***[~~collected by the District Court and paid to the county, urban-county, or charter county treasury for use on the jail as provided in KRS 441.206~~].

(2) In determining whether a reimbursement fee as described in subsection (1) of this section is to be assessed, and in establishing the amount of the fee, the court shall consider evidence relevant to the prisoner's ability to pay the fee but shall not consider as evidence the following:

(a) Joint ownership, if any, that the prisoner may have in real property;

(b) Joint ownership, if any, that the prisoner may have in any assets, earnings, or other sources of income; and

(c) The income, assets, earnings, or other property, both real and personal, that might be owned by the prisoner's spouse or family.

(3) After considering all relevant evidence to the issue of the prisoner's ability to pay, the court shall enter as part of its judgment the amount of the reimbursement fee, if any, that shall be paid by the prisoner during his period of incarceration in the county jail. The fee shall bear a reasonable relationship to the person's income. Upon petition by the prisoner affected by the order, the amount may be modified to reflect any changes in the financial status of the prisoner. In any appeal that might be taken from the conviction, the amount of the reimbursement fee may be challenged.

(4) If the person sentenced to jail is released in accordance with the provisions of KRS 439.179 and is subject to the provisions of KRS 439.179(4), the payment of the reimbursement fee shall be suspended so long as the person is gainfully employed.

(5) When imposing any payment authorized by this section, the court shall order the defendant to make the payment to the named officer, person, or organization. The court shall not order any payment authorized by this section to be made through the circuit clerk.

Section 43. KRS 635.085 is amended to read as follows:

(1) In lieu of commitment to the Department of Juvenile Justice, if a child is adjudicated a public offender, the court may in its discretion impose a fine. The imposition of a fine for an offense committed by a child shall be based upon a determination that such disposition is in the best interest of the child and to aid in his rehabilitation. Any such order shall include a finding that the child is financially able to pay the fine. Fines shall be levied consistent with the schedule set forth below:

  (a) For a felony, not to exceed five hundred dollars ($500);

  (b) For a misdemeanor, not to exceed two hundred fifty dollars ($250); and

  (c) For a violation, not to exceed one hundred dollars ($100).

(2) When a child is directed by the court to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If such provision is not made a part of the court's disposition, the fine shall be payable immediately. Nothing contained herein shall be construed as limiting the court's inherent contempt powers.

(3) Any public offender detained for failure to comply with the court order shall not be scheduled for a time that would interfere with the educational, occupational, or religious obligations of the child, and shall be in a secure juvenile detention facility or juvenile holding facility. Any portion of a day a child is detained pursuant to the court's exercising its contempt powers shall be deemed as one (1) day for purposes of serving a detention term.

[~~(4) Fines imposed and collected pursuant to this section shall be paid by the circuit clerk to the fund specified in KRS 431.100.~~]

Section 44. The following KRS sections are repealed:

26A.150 Collection and forwarding of crime victim compensation fee.

431.102 Service fee on certain misdemeanor convictions.

Section 45. This Act takes effect August 1, 2002, and all court costs, fees, fines, and other monetary penalties assessed before this date but not collected or paid by this date shall be thereafter dispensed of in accordance with this Act.

The Committee on Labor and Industry reported **HB 104** and **HCR 12** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 104, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.680 is amended to read as follows:

(1) In any claim for compensation, where the employee has been killed, or is physically or mentally unable to testify as confirmed by competent medical evidence and where there is unrebutted prima facie evidence that indicates that the injury was work related, it shall be presumed, in the absence of substantial evidence to the contrary, that the injury was work related, that sufficient notice of the injury has been given, and that the injury or death was not proximately caused by the employee's intoxication or by his willful intention to injure or kill himself or another.

(2) In any claim for compensation by a paid or volunteer firefighter, as defined in KRS 95.010, for a heart or lung disease or condition which results from activity as a firefighter for five (5) years or more, there shall be a presumption that the disease or condition is a result of the firefighter's employment.

HCR 12, A CONCURRENT RESOLUTION in support of the issuance of a commemorative U.S. Postal Service stamp honoring America's coal miners.

WHEREAS, United States coal miners perform a unique and vital service for the nation because without a man or woman at the controls of a dragline or working in a darkened mine shaft coal would not tumble into the trucks and barges that crisscross the country to power the boilers that generate over 50 percent of the nation's electricity; and

WHEREAS, coal miners keep the nation supplied with an energy resource that produces electricity for the lowest cost, when compared to fuels other than nuclear, which makes possible the country's unmatched productivity and prosperity; and

WHEREAS, coal miners provide a vital pool of labor with the expertise to produce energy supplies from vast national coal reserves which serves to buffer the country from a dangerous dependence on foreign energy fuels; and

WHEREAS, because of Kentucky's long and proud tradition as a preeminent supplier of the nation's coal supplies, we wish to be counted alongside the U.S. Secretary of Labor, the United Mine Workers of America, schoolchildren from Wilkes-Barre, Pennsylvania, and the many others seeking the proper recognition of the role played by coal miners in the history of the country;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Citizens' Stamp Advisory Committee of the U.S. Postmaster General is urged to recommend for issuance as soon as practicable a U.S. Postal Service stamp commemorating the vital role of coal miners in the history and economic productivity of the country. The stamp would commemorate a class of American laborers who in their immigrant origins reflect the melting-pot ideals of the nation, who with their manual labor make possible the technological conveniences of modern American life, and whose contributions to the nation's welfare are generally unknown to the public. A stamp commemorating coal miners holds the promise of illustrating a colorful and historically rich segment of society for the benefit of schoolchildren, stamp collectors, educators, and the public.

Section 2. This Resolution shall be sent to the U.S. Postmaster General and to the Citizens' Stamp Advisory Committee, c/o Stamp Development, U.S. Postal Service, 475 L'Enfant SW, Room 5670, Washington, D.C. 20260-2437.

The Committee on State Government reported **HB 122, HB 184, HB 194, HB 196, HB 223, HB 411, HB 423, HB 438, HJR 20,** and **HCR 63** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 122, AN ACT relating to small construction project bonding requirements.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45A.190 is amended to read as follows:

(1) As used in this section, "agency contract administrator" means the state agency employee responsible for the administration of a contract.

(2) When a construction contract is awarded in an amount in excess of ***the small purchase authority as defined in KRS 45A.100***[~~twenty five thousand dollars ($25,000)~~], the following bonds shall be furnished to the Commonwealth, and shall be binding on the parties upon the award of the contract:

(a) A performance bond satisfactory to the Commonwealth executed by a surety company authorized to do business in this Commonwealth, or otherwise supplied, satisfactory to the Commonwealth, in an amount equal to one hundred percent (100%) of the contract price as it may be increased; and

(b) A payment bond satisfactory to the Commonwealth executed by a surety company authorized to do business in the Commonwealth, or otherwise supplied, satisfactory to the Commonwealth, for the protection of all persons supplying labor and material to the contractor or his subcontractors, for the performance of the work provided for in the contract. The bond shall be in an amount equal to one hundred percent (100%) of the original contract price.

(3) When any contract in an amount in excess of twenty-five thousand dollars ($25,000) for commodities, supplies, equipment, or services of any kind, or when a contract for construction services costing[~~ twenty-five thousand dollars ($25,000) or~~] less ***than the small purchase authority as defined in KRS 45A.100*** is proposed for presentation to vendors or contractors, the agency contract administrator shall evaluate whether a performance bond should be required in the procurement document, and make his recommendation to the purchasing agency. The agency contract administrator shall note the reason that a performance bond is or is not recommended and his notation shall be a part of the permanent record relating to the contract. If a performance bond is required, the requirement shall be included in the invitation to bid, request for proposal, or other procurement document. The agency contract administrator shall make audits of the performance of contracts upon completion of one-third (1/3) of the contract and upon completion of two-thirds (2/3) of the contract. For contracts taking longer than one (1) year to complete, audits of performance shall be conducted at least annually. Before a vendor is released from a performance bond, the agency contract administrator shall review the audits of performance, make a final performance review, and promptly determine whether, in his or her opinion, the vendor has fully complied with the terms of the contract. The opinion of the agency contract administrator shall be made in writing or electronically, set forth the reasons for his or her opinion regarding compliance or noncompliance, and be signed by the agency contract administrator. This opinion may have an electronic signature. The using agency head shall, after consideration of the performance audits, the final performance review, and the opinion of the agency contract administrator regarding compliance or noncompliance, determine whether to recommend to the purchasing agency that the performance bond be released or whether a claim should be made against the performance bond. This determination of the using agency head shall be in writing, signed by the using agency head, and forwarded to the purchasing agency. This determination may have an electronic signature and be transmitted electronically. If the recommendation of the using agency is not followed by the purchasing agency, the purchasing agency shall place a statement in the file explaining why it is not followed.

(4) Nothing in this section shall be construed to limit the authority of the Commonwealth to require a performance bond or other security in addition to those bonds, or in circumstances other than specified in subsection (2) or (3) of this section.

HB 184, AN ACT relating to the Department of Corrections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 196.160 is amended to read as follows:

(1) The commissioner shall appoint a warden, a receiver, and other necessary employees for each of the state penal and correctional institutions. The compensation of these officers and employees may include maintenance. The commissioner may require these officers and employees to wear uniforms and to adopt, amend, or rescind administrative regulations governing dress and grooming standards of these uniformed officers and employees.

(2) The department shall make the contributions required by KRS 61.592 for participation in the hazardous duty retirement program by its employees in those positions in state correctional institutions and the Kentucky Correctional Psychiatric Center with duties that regularly and routinely require face-to-face contact with inmates.

(3) For those employees included in subsection (2) of this section and those whose primary workplace is a state correctional institution or the Kentucky Correctional Psychiatric Center, the department shall institute a career retention program, including salary improvements earned through extended time in qualifying public service. Salary improvements shall be effected by increasing the base salary of each employee in the career retention program by fifty dollars ($50) per month after the employee's completion of the first two (2), four (4), six (6), eight (8), and ten (10) years of employment served after, and not prior to, July 1, 2002. Salary increases required by this subsection shall be in addition to any other increase authorized by law.

HB 194, AN ACT relating to constitutional officers of the General Assembly.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.230 is amended to read as follows:

Employees of the General Assembly shall receive a per diem as follows: chief clerk, ***one hundred ten dollars ($110)***[~~ninety dollars ($90)~~]; assistant clerk, ***one hundred dollars ($100)***[~~eighty dollars ($80)~~]; enrolling clerk, ***ninety-five dollars ($95)***[~~seventy five dollars ($75)~~]; sergeant-at-arms, ***seventy-five dollars ($75)***[~~sixty dollars ($60)~~]; doorkeeper, ***seventy-five dollars ($75)***[~~sixty dollars ($60)~~]; janitors, ***sixty-five dollars ($65)***[~~fifty dollars ($50)~~]; cloakroom keeper, ***sixty-five dollars ($65)***[~~fifty dollars ($50)~~]; pages, ***fifty dollars ($50)***[~~thirty dollars ($30)~~] each.

Section 2. The provisions of Section 1 of this Act relative to the compensation of employees of the House and Senate shall apply to, and be paid for, covered employees of the 2002 Regular Session of the General Assembly effective January 1, 2002, provided that there shall be deducted from the amount due to each employee the amount already paid to the employee for services during the 2002 General Assembly which were rendered prior to the effective date of this Act.

HB 196, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly confirms Executive Order 2001-1322 dated October 25, 2001, by which the Kentucky Early Intervention System (KEIS) is transferred to the Commission for Children with Special Health Care Needs, and by which the Division of Care Coordination and the Division of Medical Services within the Commission are abolished with their responsibilities transferred to a newly created Division of Health and Development and a newly created Division of Quality Outcomes Management within the Commission.

HB 223, AN ACT relating to the designation of the official state touring theatre of Kentucky.

WHEREAS, the Blue Apple Players has inspired generations of Kentuckians for over twenty-five years with its original educational musicals; and

WHEREAS, the award winning Blue Apple Players, as a touring company, has reached over three million Kentucky children, teachers, and parents from every Kentucky county; and

WHEREAS, the Blue Apple Players has over thirty-five original musicals on topics ranging from adaptations of traditional fairy tales to musicals relating to vital issues such as substance abuse or child exploitation have been published by the leading theatrical publishers and shared with communities throughout the United States; and

WHEREAS, the Blue Apple Players provide inspiring entertainment with each production reaching across social and geographic boundaries to ignite a child's imagination and teach them basic life lessons- the ABC's of Attitude, Behavior, and Character; and

WHEREAS, the Blue Apple Players is theatre that makes a difference;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The Blue Apple Players is named and designated as the official state touring theatre of Kentucky.

HB 411, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 12.020 is amended to read as follows:

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or statutorily authorized executive order; except in the case of the Personnel Board and where the attached department or administrative body is headed by a constitutionally elected officer, the attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of the department or administrative body.

I. Cabinet for General Government - Departments headed by elected officers:
  1. The Governor.
  2. Lieutenant Governor.
  3. Department of State.
    (a) Secretary of State.
    (b) Board of Elections.
    (c) Registry of Election Finance.
  4. Department of Law.
    (a) Attorney General.
  5. Department of the Treasury.
    (a) Treasurer.
  6. Department of Agriculture.
    (a) Commissioner of Agriculture.
    (b) Kentucky Council on Agriculture.
  7. Auditor of Public Accounts.

II. Program cabinets headed by appointed officers:
  1. Justice Cabinet:
    (a) Department of State Police.
    (b) Department of Criminal Justice Training.
    (c) Department of Corrections.
    (d) Department of Juvenile Justice.
    (e) Office of the Secretary.
    (f) Offices of the Deputy Secretaries.
    (g) Office of General Counsel.
    (h) Division of Kentucky State Medical Examiners Office.
    (i) Parole Board.
    (j) Kentucky State Corrections Commission.
    (k) Commission on Correction and Community Service.
  2. Education, Arts, and Humanities Cabinet:
    (a) Department of Education.
      (1) Kentucky Board of Education.
    (b) Department for Libraries and Archives.
    (c) Kentucky Arts Council.
    (d) Kentucky Educational Television.

(e) Kentucky Historical Society.
(f) Kentucky Teachers' Retirement System Board of Trustees.
(g) Kentucky Center for the Arts.
(h) Kentucky Craft Marketing Program.
(i) Kentucky Commission on the Deaf and Hard of Hearing.
(j) Governor's Scholars Program.
(k) Governor's School for the Arts.
(l) Operations and Development Office.
(m) Kentucky Heritage Council.
(n) Kentucky African-American Heritage Commission.
(o) Board of Directors for the Center for School Safety.
3. Natural Resources and Environmental Protection Cabinet:
(a) Environmental Quality Commission.
(b) Kentucky Nature Preserves Commission.
(c) Department for Environmental Protection.
(d) Department for Natural Resources.
(e) Department for Surface Mining Reclamation and Enforcement.
(f) Office of Legal Services.
(g) Office of Information Services.
(h) Office of Inspector General.
4. Transportation Cabinet:
(a) Department of Highways.
1. Office of Program Planning and Management.
2. Office of Project Development.
3. Office of Construction and Operations.
4. Office of Intermodal Programs.
5. Highway District Offices One through Twelve.
(b) Department of Vehicle Regulation.
(c) Department of Administrative Services.
(d) Department of Fiscal Management.
(e) Department of Rural and Municipal Aid.
(f) Department of Human Resources Management.
(g) Office of the Secretary.
(h) Office of General Counsel and Legislative Affairs.
(i) Office of Public Affairs.
(j) Office of Transportation Delivery.
(k) Office of Minority Affairs.
(l) Office of Policy and Budget.
(m) Office of Technology.
(n) Office of Quality.
(o) Office of Internal Affairs.
5. Cabinet for Economic Development:
(a) Department of Administration and Support.
(b) Department for Business Development.
(c) Department of Financial Incentives.
(d) Department of Community Development.
(e) Department for Coal County Development.
(f) Tobacco Research Board.

(g) Kentucky Economic Development Finance Authority.

6. Public Protection and Regulation Cabinet:
   (a) Public Service Commission.
   (b) Department of Insurance.
   (c) Department of Housing, Buildings and Construction.
   (d) Department of Financial Institutions.
   (e) Department of Mines and Minerals.
   (f) Department of Public Advocacy.
   (g) Department of Alcoholic Beverage Control.
   (h) Kentucky Racing Commission.
   (i) Board of Claims.
   (j) Crime Victims Compensation Board.
   (k) Kentucky Board of Tax Appeals.
   (l) Backside Improvement Commission.
   (m) Office of Petroleum Storage Tank Environmental Assurance Fund.
   (n) Department of Charitable Gaming.
   (o) Mine Safety Review Commission.
7. Cabinet for Families and Children:
   (a) Department for Community Based Services.
   (b) Department for Disability Determination Services.
   (c) Public Assistance Appeals Board.
   (d) Office of the Secretary.
      (1) Kentucky Commission on Community Volunteerism and Service.
   (e) Office of the General Counsel.
   (f) Office of Program Support.
   (g) Office of Family Resource and Youth Services Centers.
   (h) Office of Technology Services.
   (i) Office of the Ombudsman.
   (j) Office of Performance Enhancement.
8. Cabinet for Health Services.
   (a) Department for Public Health.
   (b) Department for Medicaid Services.
   (c) Department for Mental Health and Mental Retardation Services.
   (d) Kentucky Commission on Children with Special Health Care Needs.
   (e) Office of Certificate of Need.
   (f) Office of the Secretary.
   (g) Office of the General Counsel.
   (h) Office of Program Support.
   (i) Office of the Inspector General.
   (j) Office of Aging Services.
9. Finance and Administration Cabinet:
   (a) Office of Legal and Legislative Services.
   (b) Office of Management and Budget.
   (c) Office of Financial Management.
   (d) Office of the Controller.
   (e) Department for Administration.
   (f) Department of Facilities Management.
   (g) State Property and Buildings Commission.

(h) Kentucky Pollution Abatement Authority.
(i) Kentucky Savings Bond Authority.
(j) Deferred Compensation Systems.
(k) Office of Equal Employment Opportunity Contract Compliance.
(l) Office of Capital Plaza Operations.
(m) County Officials Compensation Board.
(n) Kentucky Employees Retirement Systems.
(o) Commonwealth Credit Union.
(p) State Investment Commission.
(q) Kentucky Housing Corporation.
(r) Governmental Services Center.
(s) Kentucky Local Correctional Facilities Construction Authority.
(t) Kentucky Turnpike Authority.
(u) Historic Properties Advisory Commission.
(v) Kentucky Tobacco Settlement Trust Corporation.
(w) Eastern Kentucky Exposition Center Corporation.

10. Labor Cabinet:
(a) Department of Workplace Standards.
(b) Department of Workers' Claims.
(c) Kentucky Labor-Management Advisory Council.
(d) Occupational Safety and Health Standards Board.
(e) Prevailing Wage Review Board.
(f) Workers' Compensation Board.
(g) Kentucky Employees Insurance Association.
(h) Apprenticeship and Training Council.
(i) State Labor Relations Board.
(j) Kentucky Occupational Safety and Health Review Commission.
(k) Office of Administrative Services.
(l) Office of Information Technology.
(m) Office of Labor-Management Relations and Mediation.
(n) Office of General Counsel.
(o) Workers' Compensation Funding Commission.
(p) Employers Mutual Insurance Authority.

11. Revenue Cabinet:
(a) Department of Property Valuation.
(b) Department of Tax Administration.
(c) Office of Financial and Administrative Services.
(d) Department of Law.
(e) Department of Information Technology.
(f) Office of Taxpayer Ombudsman.

12. Tourism Development Cabinet:
(a) Department of Travel.
(b) Department of Parks.
(c) Department of Fish and Wildlife Resources.
(d) Kentucky Horse Park Commission.
(e) State Fair Board.
(f) Office of Administrative Services.
(g) Office of General Counsel.

(h) Tourism Development Finance Authority.

13. Cabinet for Workforce Development:
    (a) Department for Adult Education and Literacy.
    (b) Department for Technical Education.
    (c) Department of Vocational Rehabilitation.
    (d) Department for the Blind.
    (e) Department for Employment Services.
    (f) State Board for Adult and Technical Education.
    (g) The State Board for Proprietary Education.
    (h) The Foundation for Adult Education.
    (i) Department for Training and Reemployment.
    (j) Office of General Counsel.
    (k) Office of Communication Services.
    (l) Office of Development and Industry Relations.
    (m) Office of Workforce Analysis and Research.
    (n) Office for Administrative Services.
    (o) Office for Policy and Budget.
    (p) Office of Personnel Services.
    (q) Unemployment Insurance Commission.

14. Personnel Cabinet:
    (a) Office of Administrative and Legal Services.
    (b) Department for Personnel Administration.
    (c) Department for Employee Relations.
    (d) Kentucky Public Employees Deferred Compensation Authority.
    (e) Kentucky Kare.
    (f) Division of Performance Management.
    (g) Division of Employee Records.
    (h) Division of Staffing Services.
    (i) Division of Classification and Compensation.
    (j) Division of Employee Benefits.
    (k) Division of Communications and Recognition.
    (l) Office of Public Employee Health Insurance.

III. Other departments headed by appointed officers:
    1. Department of Military Affairs.
    2. Council on Postsecondary Education.
    3. Department for Local Government.
    4. Kentucky Commission on Human Rights.
    5. Kentucky Commission on Women.
    6. Department of Veterans' Affairs.
    7. Kentucky Commission on Military Affairs.
    8. The Governor's Office for Technology.
    9. Commission on Small Business Advocacy.
    10. Education Professional Standards Board.

Section 2. KRS 174.020 is amended to read as follows:

(1) The Transportation Cabinet shall consist of the following major organizational units:
    (a) The Office of the Secretary, which shall include, but not be limited to:
        1. The secretary to be appointed by the Governor under KRS 12.255; and
        2. The deputy secretary appointed under KRS 12.040;

(b) The Department of Highways, headed by a commissioner, appointed by the Governor under KRS 12.040 on the recommendation of the secretary;

(c) The Department of Vehicle Regulation, headed by a commissioner, appointed by the secretary with the approval of the Governor, under KRS 12.040;

(d) The Department of Rural and Municipal Aid, headed by a commissioner appointed by the Governor under KRS 12.040;

(e) The Department of Fiscal Management, headed by a commissioner appointed by the Governor under KRS 12.040;

(f) The Department of Administrative Services, headed by a commissioner appointed by the Governor under KRS 12.040;

(g) The Department of Human Resources Management, headed by a commissioner appointed by the Governor under KRS 12.040;

(h) The following offices, which shall be attached to the Office of the Secretary:

1. The Office of Public Affairs, headed by an executive director appointed under KRS 12.040;
2. The Office of Policy and Budget, headed by an executive director appointed under KRS 12.040;
3. The Office of Transportation Delivery, headed by an executive director appointed under KRS 12.040;
4. The Office of General Counsel and Legislative Affairs, headed by an executive director appointed under KRS 12.040;
5. The Office of Minority Affairs, headed by an executive director appointed under KRS 12.040;
6. The Office of Technology, headed by an executive director appointed under KRS 12.040;
7. The Office of Quality, headed by an executive director appointed under KRS 12.040;
8. ***The Office of Internal Affairs, headed by an executive director appointed under KRS 12.040;***

(i) The following offices, which shall be attached to the Department of Highways:

1. The Office of Program Planning and Management, headed by an executive director appointed under KRS 12.040, who shall be a registered professional engineer under KRS Chapter 322, and known as the deputy state highway engineer for program planning and management;
2. The Office of Project Development, headed by an executive director appointed under KRS 12.040, who shall be a registered professional engineer under KRS Chapter 322, and who shall be known as the deputy state highway engineer for project development;
3. The Office of Construction and Operations, headed by an executive director appointed under KRS 12.040, who shall be a registered professional engineer under KRS Chapter 322, and who shall be known as the deputy state highway engineer for construction and operations;
4. The Office of Intermodal Programs, headed by an executive director appointed under KRS 12.040, who shall be a registered professional engineer under KRS Chapter 322, and who shall be known as the deputy state highway engineer for intermodal programs. The Kentucky Airport Zoning Commission established by KRS 183.861 shall be attached to the Division of Aeronautics within the Office of Intermodal Programs for administrative purposes; and
5. Highway District Offices One through Twelve, each district office to be headed by a chief highway district engineer, appointed by the secretary upon the recommendation of the commissioner and the state highway engineer, with the approval of the Governor.

(2) The positions of director in the Division of Fleet Management, Division of Professional Services, and Division of Environmental Analysis are policy-making positions under KRS 18A.175.

Section 3. The General Assembly confirms Executive Order 2001-1517, dated December 14, 2001, relating to the reorganization of the Transportation Cabinet to the extent not otherwise confirmed by this Act.

HB 423, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 21.580 is amended to read as follows:

(1) As a pilot project to determine the effectiveness of using senior retired judges to combat backlog and delay in Kentucky courts, there is hereby created a "Senior Status Program for Special Judges." The program shall be implemented as follows:

(a) KRS 21.400(1) and any other provision in KRS Chapter 21 to the contrary notwithstanding, a member who retires at a time when combining his total years of judicial service credit and his age equals or exceeds the number seventy-five (75), may elect, within ninety (90) days following retirement, to participate in the "Senior Status Program for Special Judges," if he complies with the provisions of this subsection. In that event, the member shall be entitled to a service retirement allowance, commencing at the member's normal retirement age, payable monthly during his lifetime in an amount equal to five percent (5%) of his final compensation multiplied by the number of years of his judicial service, not to exceed twenty (20) years of judicial service at the five percent (5%) factor, not to exceed one hundred percent (100%) of final compensation. "Final compensation" is as defined in KRS 21.400. Any nonjudicial time shall be counted as is otherwise provided in KRS Chapter 21, but in no event shall service retirement allowance exceed one hundred percent (100%) of final compensation.

(b) A justice of the Supreme Court, judge of the Kentucky Court of Appeals, Circuit Court Judge, or District Court Judge, who did not elect to participate in the Kentucky Judicial Retirement Plan under KRS 21.360 but who is a participant in the Kentucky Retirement Systems, whose age and years of service total at least seventy-five (75) may retire and elect, within ninety (90) days, to participate in the "Senior Status Program for Special Judges," if he or she complies with the provisions of this subsection. If complying, the retired judge shall be entitled to a supplemental service retirement allowance from the Judicial Retirement Plan, commencing at the member's normal retirement age. The supplemental allowance shall be in an amount equal to the difference in the benefit under KRS 61.595(1) attributable to judicial service only, and five percent (5%) of the final compensation under KRS 61.680(2)(a) multiplied by the number of years of judicial service. The supplemental benefit shall be limited to the difference in the annual Kentucky Retirement System benefit and the final compensation on which it is calculated.

(c)[~~1.~~] In the event the retiring judge elects to retire as a "Senior Status Special Judge" under this subsection, he shall commit to serve, upon appointment by the Chief Justice of the Commonwealth, as special judge for one hundred twenty (120) work days per year for a term of five (5) years without compensation other than the retirement benefits under this subsection. The Senior Status Special Judge may agree to work more than one hundred twenty (120) days in any year within the five (5) years of service; however, the Senior Status Special Judge shall be compensated as otherwise provided by law, in addition to his retirement benefits, for any days served in excess of one hundred twenty (120) in that year. If the Senior Status Special Judge has not served a total of six hundred (600) days within the five (5) year period outlined in this subsection, the Chief Justice shall require the Senior Status Special Judge to serve at no additional compensation to the Senior Status Special Judge, until the six hundred (600) day period is served by the Senior Status Special Judge. The Senior Status Special Judge and the Chief Justice may agree in writing to serve less than the one hundred twenty (120) days in any one (1) or more of the five (5) years; however, any of the days not served in a given year shall be served at the end of the five (5) year period set forth in this subsection.

(d)[~~2.~~] Should any member electing to retire under the Senior Status Program for Special Judges fail, when ordered by the Chief Justice to serve the requisite number of days not to exceed one hundred twenty (120) days a year for the five (5) year period outlined in this subsection, unless otherwise agreed in writing, he shall no longer be eligible for benefits computed under this subsection and shall return to the benefits otherwise provided under this chapter.

(e)[~~3.~~] Subject to Section 110(5)(b) of the Kentucky Constitution, the Chief Justice shall give due regard, when practical, to the desirability of appointing Senior Status Special Judges to serve within their judicial region as defined by the regional administration charter.

(2)[~~(b)~~] The inviolable contract provisions of Kentucky law, KRS 21.480 *and KRS 61.692*, shall apply during the period of time that KRS 21.580 is effective; however, no other provisions of 2000 Ky. Acts ch. 305 shall be considered subject to an inviolable contract of the Commonwealth.

(3)[~~(c)~~]Nothing contained in this section shall be construed to invalidate provisions in the current law which require a penalty for retiring before the normal retirement age.

(4)[~~(2)~~] The Senior Status Program for Special Judges created by this section shall be open to any member who is a judge in office on July 14, 2000, and who subsequently retires as a Senior Status Special Judge on or before June 30, 2007.

HB 438, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.621 is amended to read as follows:

(1) Notwithstanding any provision of any statutes to the contrary, effective June 1, 2000, any employee participating in one (1) of the state-administered retirement systems who is not in a hazardous duty position, as defined in KRS 61.592, shall be eligible for minimum benefits equal to the benefits payable under this section or KRS 61.702 if the employee dies or becomes disabled as a result of a duty-related injury.

(2) (a) For purposes of this section, "duty-related injury" means:

1. a. A single traumatic event that occurs while the employee is performing the duties of his position; or

b. A single act of violence committed against the employee that is found to be related to his job duties, whether or not it occurs at his job site; and

2. The event or act of violence produces a harmful change in the human organism evidenced by objective

medical findings.

(b) Duty-related injury does not include the effects of the natural aging process, a communicable disease unless the risk of contracting the disease is increased by nature of the employment, or a psychological, psychiatric, or stress-related change in the human organism unless it is the direct result of a physical injury.

(3) (a) If the employee dies as a result of a duty-related injury and is survived by a spouse, the surviving spouse shall be the beneficiary, and this shall supersede the designation of all previous beneficiaries of the deceased employee's retirement account.

(b) The surviving spouse may elect to receive the benefits payable under KRS 61.640 or other applicable death benefit statutes, or may elect to receive a lump-sum payment of ten thousand dollars ($10,000) and a monthly payment equal to twenty-five percent (25%) of the member's monthly final rate of pay beginning in the month following the member's death and continuing each month until death~~[or until the spouse remarries, whichever occurs first]~~.

(4) If the employee is determined to be disabled as provided in KRS 61.600, or other applicable disability statutes in any other state-administered retirement system, as the result of a duty-related injury, the employee may elect to receive benefits determined under the provisions of KRS 61.605, or other applicable disability statutes in any other state-administered retirement system, except that the monthly retirement allowance shall not be less than twenty-five percent (25%) of the employee's monthly final rate of pay. For purposes of determining disability, the service requirement in KRS 61.600(1)(a), or other applicable statutes in any other state-administered retirement system, shall be waived.

(5) In the period of time following a member's death or disability during which dependent children survive, a monthly payment shall be made for each dependent child who is alive which shall be equal to ten percent (10%) of the deceased or disabled member's monthly final rate of pay; however, total maximum dependent children's benefits shall not exceed forty percent (40%) of the deceased or disabled member's monthly final rate of pay at the time any particular payment is due. The payment shall commence in the month following the date of death or disability of the member and shall be payable to the beneficiaries, or to a legally appointed guardian, or as directed by the system. Benefits for death as a result of a duty-related injury shall be payable under this subsection notwithstanding an election by a beneficiary to withdraw the deceased member's accumulated contributions as provided in KRS 61.625 or benefits under any other provisions of KRS 61.515 to 61.705 or other applicable death benefit statutes in any other state-administered retirement system.

(6) This section shall be known as "The Fred Capps Memorial Act."

Section 2. KRS 16.601 is amended to read as follows:

(1) If the death of a member in service occurs on or after August 1, 1992, as a direct result of an "act in line of duty" and the member has on file in the retirement office at the time of his death a written designation of only one (1) beneficiary, who is his spouse, the beneficiary may elect to receive a lump-sum payment of ten thousand dollars ($10,000) and a monthly payment equal to twenty-five percent (25%) of the member's monthly final rate of pay beginning in the month following the member's death and continuing each month until death~~[or until the spouse remarries, whichever occurs first]~~.

(2) If the death of a member in service occurs on or after July 1, 1968, as a direct result of an "act in line of duty" and the member has on file in the retirement office at the time of his death a written designation of only one (1) beneficiary other than his spouse, who is a dependent receiving at least one-half (1/2) of his support from the deceased member, the beneficiary may elect to receive a lump-sum payment of ten thousand dollars ($10,000).

(3) In the period of time following a member's death during which dependent children survive, monthly payments shall be made for each dependent child who is alive, equal to ten percent (10%) of the deceased member's monthly final rate of pay; however, total maximum dependent children's benefits shall not be greater than forty percent (40%) of the deceased member's monthly final rate of pay at the time any particular payment is due. The payments shall commence in the month following the date of death of the member and shall be payable to the beneficiaries, or to a legally appointed guardian or as directed by the system. Benefits shall be payable under this subsection notwithstanding an election by a beneficiary to withdraw the deceased member's accumulated contributions as provided in KRS 61.625 or benefits under any other provisions of KRS 16.510 to 16.652.

(4) A beneficiary eligible for benefits under subsection (1) or (2) of this section who is also eligible for benefits under any other provisions of KRS 16.510 to 16.652 may elect benefits under this section or any other section of KRS 16.510 to 16.652 but cannot elect to receive both.

HJR 20, A JOINT RESOLUTION reauthorizing the Kentucky Aquaculture Task Force, and making an appropriation therefor.

WHEREAS, the Kentucky Aquaculture Task Force was created in 1998 by the General Assembly to develop a State Aquaculture Plan and to promote the development of the aquaculture industry in the Commonwealth; and

WHEREAS, the aquaculture industry has steadily grown in the state, and money has been appropriated to assist aquaculture farmers in pond construction, infrastructure development, and other aquacultural enterprises; and

WHEREAS, the task force has been proactively supporting the development of the aquaculture industry in the Commonwealth; and

WHEREAS, it is essential that the task force continue to monitor the activities surrounding the implementation of the state plan, and to make recommendations as to how the aquaculture industry can continue to grow in our state;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Kentucky Aquaculture Task Force is reauthorized to monitor the recommendations made in the State Aquaculture Plan, and to promote the development of the aquaculture industry in the Commonwealth.

Section 2. The Kentucky Aquaculture Task Force is attached to the Department of Agriculture for administrative purposes, and shall consist of thirteen (13) members as follows:

(1) The Speaker of the House of Representatives or the Speaker's designee;
(2) The President of the Senate or the President's designee;
(3) The Chair of the Senate Agriculture and Natural Resources Committee or the Chair's designee;
(4) The Chair of the House Agriculture and Small Business Committee or the Chair's designee;
(5) The Commissioner of the Department of Agriculture or the Commissioner's designee;
(6) The Commissioner of the Department of Fish and Wildlife Resources or the Commissioner's designee; and
(7) Seven (7) members appointed by the Governor, with one (1) member representing each of the following interests:
  (a) Kentucky Aquaculture Association;
  (b) Kentucky State University aquaculture program;
  (c) Kentucky Farm Bureau;
  (d) Agriculture liaison, Office of the Governor;
  (e) Retailers of aquacultural products;
  (f) Wholesalers of aquacultural products; and
  (g) Producers of aquacultural products.

Section 3. A majority of the members shall constitute a quorum. The members shall elect one (1) member to serve as chair.

Section 4. The task force shall meet quarterly and may meet more often upon the call of the chair or by a majority of the members. Except as provided in KRS 18A.200, members of the task force shall receive actual traveling expenses while attending meetings of the task force. Staff services for the task force shall be provided by the Department of Agriculture.

Section 5. The task force shall develop an interim report by September 1, 2002, and a final report by September 1, 2003, with respect to the implementation of the State Aquaculture Plan recommendations and other recommendations that the task force may support relating to the aquaculture industry in the Commonwealth. The reports shall be given to the Governor and to the Legislative Research Commission.

Section 6. There is appropriated from the general fund the sum of $20,000 to accomplish the reports; $10,000 to be appropriated from FY 2002-2003 and $10,000 to be appropriated from FY 2003-2004. Any amount remaining following the completion of the reports shall revert to the general fund. The reports and recommendations shall be submitted to the Governor and to the Legislative Research Commission as provided in Section 5 of this Act.

Section 7. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

HCR 63, A CONCURRENT RESOLUTION confirming the reappointment of Dr. Penny M. Miller to the Kentucky Long-Term Policy Research Center Board.

WHEREAS, KRS 7B.030 requires the Governor to appoint six at-large members of the Kentucky Long-Term Policy Research Center Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, by Executive Order 2001-497, dated April 24, 2001, and letter dated April 24, 2001, the Governor reappointed Dr. Penny M. Miller and submitted her appointment for legislative confirmation; and

WHEREAS, the House of Representatives and the Senate find that Dr. Penny M. Miller meets the age and residency requirements of KRS 7B.030 and has demonstrated an interest in the well-being and development of the Commonwealth, as required by that statute;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate do confirm the reappointment of Dr. Penny M. Miller to the Kentucky Long-Term Policy Research Center Board for a term expiring October 6, 2004.

Section 2. The Clerk of the House of Representatives shall send a copy of this Resolution, and notification of its adoption, to Dr. Penny M. Miller, 1001 Maple Ridge, Lexington, Kentucky 40509, and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

The Committee on Education reported **HB 180, HB 321,** with Committee Substitute attached thereto, **HB 330, HB 332,** with Committee Substitute attached thereto, **HB 386, HB 442,** and **HB 446** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 180, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.552 is amended to read as follows:

(1) Any employee participating in one (1) of the state-administered retirement systems who has been refunded his accumulated contributions under the provisions of KRS 16.645(22), 61.625, or 78.545(15), thereby losing service credit, may regain the credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system. If the participating employee dies before regaining lost service credit, the employee's beneficiary, as designated according to the requirements of the employee's retirement system, may regain the credit by paying the amount refunded with interest at a rate determined by the board of the respective retirement system. Thereafter the beneficiary shall be entitled to the benefits that are payable based upon the deceased employee's total service credit. The provisions of KRS 161.470 shall be met in order to regain the credit in the Teachers' Retirement System. KRS 21.460 shall govern with respect to regaining credit in the Judicial Retirement Plan or Legislators' Retirement Plan. The beneficiary shall make the payment within one (1) year of the date of the employee's death. The payment, including interest as determined by the board, shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(2) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the County Employees Retirement System, as provided in KRS 78.540(2), may obtain credit in the County Employees Retirement System for prior service and for current service by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.

(3) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the Kentucky Employees Retirement System, as provided in KRS 61.525(2), may obtain credit in the Kentucky Employees Retirement System for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.

(4) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the Kentucky Employees Retirement System for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments. Effective August 1, 1988, each employee of the Kentucky Racing Commission who was employed by the racing commission on the date that agency first participated in the Kentucky Employees Retirement System, whether or not the employee was eligible to participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.

(5) (a) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the County Employees Retirement System for current service between July 1, 1958, and the effective date of participation of his county by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(b) An employee participating in the Kentucky Employees Retirement System or the County Employees Retirement System, who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for the period of his service with an area development district created pursuant to KRS 147A.050 or with a business development corporation created pursuant to KRS 155.001 to 155.230 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system in which he participates the full cost of the service credit purchased, as determined by the board's actuary. The employee may obtain credit for employment with a business development corporation only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. Payment may be by lump sum or the employee may pay by increments.

(6) After August 1, 2000, service credit obtained under the subsections of this section which do not require the employee to have a minimum number of years of service credit to be eligible to make a purchase shall be disallowed and the recontribution of refund, including interest as determined by the board or other payment, if any, shall be paid to the member if the member does not obtain for service performed six (6) months' additional current service credit in one (1) of the state-administered retirement systems. The service requirement shall be waived if the member dies or becomes disabled as provided for by KRS 16.582 or 61.600.

(7) The members shall not receive benefit of service for the same period of time in another public defined benefit retirement fund.

(8) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65) in one (1) of the retirement systems administered by the Kentucky Retirement Systems, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by a defined benefit retirement program, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the County Employees Retirement System, the Kentucky Employees Retirement System, or the State Police Retirement System for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the County Employees, Kentucky Employees Retirement System, or State Police Retirement System. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum, or the employee may pay by increments.

(9) (a) Effective August 1, 1980, any county participating in the County Employees Retirement System may purchase current service, between July 1, 1958, and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);

(b) Effective July 1, 1973, any department participating in the Kentucky Employees Retirement System may purchase current service between July 1, 1956, and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);

(c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for the service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of the service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period;

(d) If a county or department elects the provisions of this subsection, any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for the service credit refunded with interest at the rate paid under KRS 61.575 or 78.640;

(e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.

(10) Interest paid by a member of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System under this section or other similar statutes under KRS 16.510 to 16.652, KRS 61.515 to 61.705, or KRS 78.520 to 78.852 prior to June 19, 1976, shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

(11) Employees who served as assistants to officers and employees of the General Assembly who were unable to acquire service under KRS 61.510(20) may purchase credit for the service performed after January 1, 1960, if the service purchased when added to other accumulated service will total at least forty-eight (48) months. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).

(12) (a) Effective August 1, 1988, any employee participating in one (1) of the state-administered retirement systems may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on a calendar or fiscal year basis. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred hours of work. The cost will be determined by computing the

member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

(b) Any noncertified employee of a school board may purchase service credit for part-time employment prior to the 1990-91 school year which averaged eighty (80) or more hours of work per month on a calendar or fiscal year basis by paying to the County Employees Retirement System a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 78.610(4), by the employer. Payment may be by lump sum or the employee may pay by increments. If the average number of hours of work is less than eighty (80) per month, the noncertified employee of a school board shall be allowed credit only for those months he receives creditable compensation for eighty (80) hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 78.610(4).

(13) A retired member, who is contributing to one (1) of the state-administered retirement programs and purchases service credit under this section in the system or systems from which he is retired, shall have his retirement allowance recomputed:

(a) Upon termination from employment, if the member is contributing to the same system or systems from which he was retired; or

(b) Upon completion of six (6) months' service credit as required under subsection (6) of this section, if the member is contributing to a system other than the system or systems from which he is retired.

(14) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for prior or current service for any period of approved educational leave, or for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, by paying to the respective retirement system a delayed contribution payment. The employee may also obtain credit for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, but only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(15) Any employee participating in one (1) of the state-administered retirement systems may obtain credit for prior or current service for any period of approved maternity leave, or for any period of approved sick leave without pay, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(16) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by making installment payments in lieu of a lump-sum payment.

(a) The cost of the service shall be computed in the same manner as for a lump-sum payment which shall be the principal; and interest, at the actuarial rate in effect at the time the member elects to make the purchase compounded annually, shall be added for the period that the installments are to be made. Multiple service purchases may be combined under a single installment purchase; however, no employee may make more than one (1) installment purchase at the same time. Once multiple service purchases have been combined in an installment purchase, the employee may not separate the purchases or pay a portion of one (1) of the purchases. The employee may elect to stop the installment payments by notifying the retirement system; may have the installment purchase recalculated to add one (1) or more additional service purchases; or may pay by lump sum the remaining principal.

(b) Twelve (12) consecutive monthly installment payments shall be made for each one thousand dollars ($1,000) or any part thereof of the total cost, except that the total number of installments shall not be less than twelve (12) and shall not exceed sixty (60).

(c) The employee shall pay the installments by payroll deduction each pay period. Upon notification by the retirement system, the employer shall report the installment payments separate from regular employee contributions on the forms or by the computer format specified by the board. The payments made under this subsection shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 61.560(4) and no employer contributions shall be paid on the installments.

(d) The retirement system shall determine how much of the total cost represents payment for one (1) month of the service to be purchased and shall credit one (1) month of service to the member's account each time this amount has been paid. The first service credited shall represent the first calendar month of the service to be purchased and each succeeding month of service credit shall represent the succeeding months of that service.

(e) If the employee elects to stop the installment payments, dies, retires, or does not continue employment in a position required to participate in the retirement system, the member, or in the case of death, the beneficiary, shall have sixty (60) days to pay the remaining principal of the purchase by lump sum. If the member or beneficiary does not pay the remaining cost, the retirement system shall refund to the member or the beneficiary the payment, payments, or portion of a payment that does not represent a full month of service purchased.

(f) If the employer does not report installment payments on an employee for sixty (60) days, the installment purchase shall cease and the retirement system shall refund to the employee the payment, payments, or portion of a payment that does not represent a full month of service purchased.

(g) If payments have ceased under paragraph (e) or (f) of this subsection and the member later becomes a participating employee in one (1) of the three (3) systems administered by Kentucky Retirement Systems, the employee may complete the adjusted original installment purchase by lump sum or installment payments. If the employee elects to renew the installment purchase, the cost of the remaining service shall be recalculated in accordance with paragraph (a) of this subsection. If the original installment purchase was for multiple service purchases, the employee may not separate those purchases under a new installment purchase.

(h) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by transferring funds pursuant to the rules in 26 U.S.C. sec. 401(a)(31) directly from a retirement plan or a deferred compensation arrangement maintained by his employer which is a qualified plan pursuant to 26 U.S.C. sec. 401(a). Service credit may also be purchased by a rollover of funds from a qualified retirement plan pursuant to the rules specified in 26 U.S.C. sec. 402(c). The Kentucky Retirement Systems shall accept the transfer or rollover to the extent permitted under the rules specified in 26 U.S.C. secs. 402(c) and 401(a)(31). The amount shall be credited to the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member.

(17) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems who is age sixty-five (65) or older and has forty-eight (48) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System or, if younger, who has sixty (60) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System may purchase credit in the system in which the employee has the service credit for up to ten (10) years service in a regular full-time position that was credited to a state or local government-administered public defined benefit plan in another state other than a defined benefit plan for teachers. The employee shall pay the full cost of the service as determined by the system. Payment may be by lump sum, or the employee may pay by increments. The employee may transfer funds directly from the other state's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws and shall provide proof that he is not eligible for a retirement benefit for the period of service from the other state's plan.

(18) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems, who has sixty (60) or more months of service in the State Police Retirement System or in a hazardous position in the Kentucky Employees Retirement System or the County Employees Retirement System, may purchase credit in the system in which the employee has the sixty (60) months of service credit for up to ten (10) years of service in a regular full-time position that was credited to a defined benefit retirement plan administered by a state or local government in another state, if the service could be certified as hazardous pursuant to KRS 61.592. The employee shall pay the full cost of the service credit as determined by the system. Payment may be by lump sum or by increments. The employee may transfer funds directly from the other unit of government's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws, and the employee shall provide proof that he is not eligible for a retirement benefit for the period of service from the other unit of government's plan.

(19) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) who has completed service as a volunteer in the Kentucky Peace Corps, created by KRS 154.01-720, may purchase service credit for the time served in the corps by making delayed contribution payments.

(20) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65), or at least sixty (60) months' service if under age sixty-five (65), and who was formerly employed in a regional community mental health and mental retardation services program, organized and operated under the provisions of KRS 210.370 to 210.480, which does not participate in a state-administered retirement system may obtain credit for the period of his service in the regional community mental health and mental retardation program, by paying to the state retirement system in which he participates the full cost of the service credit purchased, as determined by the system. Payment to one (1) of the retirement systems administered by the Kentucky Retirement Systems may be made by lump sum or in increments.

(21) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65), who was employed by a vocational technical school in a noncertified part-time position averaging eighty (80) or more hours per month, determined by using the number of months actually worked within a calendar or fiscal year, may purchase service credit in the Kentucky Employees Retirement System. The cost of the service shall be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

(22) Any employee participating in one (1) of the state-administered retirement systems on June 30, 2000, may obtain credit for subsequent service with a parted employer from the Commonwealth operating for the purposes of KRS 163.475, by paying to the respective retirement system a delayed contribution payment if the respective retirement system receives a favorable

private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall be deposited to the individual member's account. The delayed contribution payment shall not be picked up by the employer as described in KRS 61.560(4).

(23) Any employee participating in the County Employees Retirement System who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may purchase service credit for service with a city, county, or joint city-county planning commission, if that service was not covered by a state-administered retirement system. Notwithstanding any statute to the contrary, the employee shall be entitled to a full month of service for each month or portion of month that the employee occupied the position whether or not the employee would have qualified, at the time of planning commission service, for the service under KRS 6.525. The employee shall pay to the retirement system the full cost of the service credit purchased, as determined by the board's actuary. The payment shall not be picked up, as described in KRS 78.610(4), by the employer and shall be deposited to the member's account. Payment may be by lump sum or in increments. The employee may obtain credit for service with a city, county, or joint city-county planning commission only if the Kentucky Retirement Systems receives a favorable letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor.

(24) (a) Any member or retired member of one (1) of the retirement systems administered by the Kentucky Retirement Systems who is entitled to service credit for employment which was not reported in accordance with KRS 16.543, 61.543, or KRS 78.615 may obtain credit for the service by paying the employee contributions due within six (6) months of notification by the system. No interest shall be added to the contributions. The service credit shall not be credited to the member's account until the employer contributions are received. If a retired member makes the payment within six (6) months, the retired member's retirement allowance shall be adjusted to reflect the added service after the employer contributions are received by the retirement system.

(b) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems who is entitled to service credit under paragraph (a) of this subsection and who has not repaid the employee contributions due within six (6) months of notification by the system may regain the credit after the six (6) months by paying to the system the employee contributions plus interest at the actuarially assumed rate from the date of initial notification under paragraph (a) of this subsection. Service credit shall not be credited to the member's account until the employer contributions are received by the retirement system. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(25) Any employee participating in one (1) of the state-administered retirement systems may purchase service credit for employment with a public agency that would have been eligible to participate under KRS 61.520 but which did not participate in the Kentucky Employees Retirement System or a political subdivision that would have been eligible to participate under KRS 78.530 but which did not participate in the County Employees Retirement System if the former public agency or political subdivision has merged with or been taken over by a participating department or county. The cost of the service shall be determined as a delayed contribution payment for the respective retirement system. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or KRS 78.610(4), by the employer.

(26) Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems on or after August 1, 1998, who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years of retirement service credit which is not otherwise purchasable under any of the provisions of KRS 16.510 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852. The purchase price for the retirement service credit shall be calculated and paid for based on the full actuarial cost as determined by the system. The payment shall not be picked up, as described in KRS 16.545(4), KRS 61.560(4), KRS 78.610(4), by the employer, and the employee's payment shall be paid into the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by increments.

(27) An employee participating in one (1) of the state-administered retirement systems, who has at least forty-eight (48) months of service if age sixty-five (65), or at least sixty (60) months of service if under age sixty-five (65), may obtain credit in the County Employees Retirement System for the period of that employee's service with a community action agency created under KRS 273.405 to 273.453 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system the full actuarial cost of the service credit purchased. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or 78.610(4), by the employer.

(28) Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may purchase service credit for service on a school board, if that service was not covered by a state-administered retirement system. Notwithstanding any statute to the contrary, the employee shall be entitled to a full

month of service for each month or portion of a month that the employee occupied the position on the school board. The employee shall pay to the retirement system the full cost of the service purchased, as determined by the board's actuary. The payment shall not be picked up, as described in KRS 16.545(4), 61.560(4), or 78.610(4), by the employer. The payment by the member may be by lump sum or by increments and shall be paid into the individual member's contribution account in the appropriate retirement system. An employee interested in purchasing service on a school board must contract to do so with the systems prior to December 31, 2002.

HB 321, AN ACT relating to school employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.380 is amended to read as follows:

(1) As used in this section:

(a) "Relative" shall mean father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, and daughter-in-law.

(b) "Vacancy" shall mean any certified position opening created by the resignation, dismissal, nonrenewal of contract, transfer, or death of a certified staff member of a local school district, or a new position created in a local school district for which certification is required. However, if an employer-employee bargained contract contains procedures for filling certified position openings created by the resignation, dismissal, nonrenewal of contract, transfer, or death of a certified staff member, or creation of a new position for which certification is required, a vacancy shall not exist, unless certified positions remain open after compliance with those procedures.

(2) (a) All appointments, promotions, and transfers of principals, supervisors, teachers, and other public school employees shall be made only by the superintendent of schools, who shall notify the board of the action taken. All employees of the local district shall have the qualifications prescribed by law and by the administrative regulations of the Kentucky Board of Education and of the employing board. Supervisors, principals, teachers, and other employees may be appointed by the superintendent for any school year at any time after February 1 preceding the beginning of the school year. No superintendent of schools shall appoint or transfer himself to another position within the school district.

(b) ***As soon as the superintendent receives written notice of an upcoming***[~~When a~~] vacancy[~~ occurs~~] in a local school district, the superintendent shall notify the chief state school officer[~~ thirty (30) days before the position shall be filled~~]. The chief state school officer shall keep a registry of local district vacancies which shall be made available to the public. The local school district shall post position openings in the local board office ***and in each school building*** for public viewing. ***Vacancies shall be posted for thirty (30) days or until filled, whichever is longer, and shall not be filled prior to a posting of thirty (30) days except under the provisions of paragraph (c) of this subsection.***

(c) When a vacancy needs to be filled in less than thirty (30) days' time to prevent disruption of necessary instructional or support services of the school district, ***the school-based council shall request*** the superintendent ***to***[~~may~~] seek a waiver from the chief state school officer. If the waiver is approved, the appointment shall not be made until the person recommended for the position has been approved by the chief state school officer. The chief state school officer shall respond to a district's request for waiver or for approval of an appointment within two (2) working days.

(d) When a vacancy occurs in a local district, the superintendent shall conduct a search to locate minority teachers to be considered for the position. The superintendent shall, pursuant to administrative regulations of the Kentucky Board of Education, report annually the district's recruitment process and the activities used to increase the percentage of minority teachers in the district.

(e) No relative of a superintendent of schools shall be an employee of the school district. However, this shall not apply to a relative who is a classified or certified employee of the school district for at least thirty-six (36) months prior to the superintendent assuming office, or prior to marrying a relative of the superintendent, and who is qualified for the position the employee holds. A superintendent's spouse who has at least twenty (20) years of service in school systems may be an employee of the school district. A superintendent's spouse who is employed under this provision shall not hold a position in which the spouse supervises certified or classified employees. A superintendent's spouse may supervise teacher aides and student teachers. However, the superintendent shall not promote a relative who continues employment under an exception of this subsection.

(f) No superintendent shall employ a relative of a school board member of the district, unless on July 13, 1990, the board member's relative is an employee of the district, the board member is holding office, and the relative was not initially hired by the district during the tenure of the board member. A relative employed in 1989-90 and initially hired during the tenure of a board member serving on July 13, 1990, may continue to be employed during the remainder of the board member's term. However, the superintendent shall not promote any relative of a school board member who continues employment under the exception of this subsection.

(g) 1. No principal's relative shall be employed in the principal's school, except a relative who is not the principal's spouse and who was employed in the principal's school during the 1989-90 school year.

2. No spouse of a principal shall be employed in the principal's school, except:

   a. A principal's spouse who was employed in the principal's school during the 1989-90 school year for whom there is no position for which the spouse is certified to fill in another school operated in the district; or

   b. A principal's spouse who was employed in the 1989-90 school year and is in a school district containing no more than one (1) elementary school, one (1) middle school, and one (1) high school.

3. A principal's spouse who is employed in the principal's school shall be evaluated by a school administrator other than the principal.

4. The provisions of KRS 161.760 shall not apply to any transfer made in order to comply with the provisions of this paragraph.

(3) No superintendent shall employ in any position in the district any person who is a violent offender or has been convicted of a sex crime as defined by KRS 17.165 which is classified as a felony. The superintendent may employ, at his discretion, persons convicted of sex crimes classified as a misdemeanor.

(4) (a) Beginning January 1, 1999, a superintendent shall require a national and state criminal background check on all new certified hires in the school district and student teachers assigned within the district. Excluded are certified individuals who were employed in another certified position in a Kentucky school district within six (6) months of the date of hire and who had previously submitted to a national and state criminal background check for the previous employment.

(b) The superintendent shall require that each new certified hire and student teacher, as set forth in paragraph (a) of this subsection, submit to a national and state criminal history background check by the Kentucky State Police and the Federal Bureau of Investigation.

(c) All fingerprints requested under this section shall be on an applicant fingerprint card provided by Kentucky State Police. The fingerprint cards shall be forwarded to the Federal Bureau of Investigation from the Kentucky State Police after a state criminal background check is conducted. The results of the state and federal criminal background check shall be sent to the hiring superintendent. Any fee charged by the Kentucky State Police and the Federal Bureau of Investigation shall be an amount no greater than the actual cost of processing the request and conducting the search.

(d) The Education Professional Standards Board may promulgate administrative regulations to impose additional qualifications to meet the requirements of Public Law 92-544.

(5) A superintendent shall require a state criminal background check on all classified initial hires.

(a) The superintendent shall require that each classified initial hire submit to a state criminal history background check by the Kentucky State Police.

(b) Any request for records under this section shall be on an applicant fingerprint card provided by Kentucky State Police. The results of the state criminal background check shall be sent to the hiring superintendent. Any fee charged by the Kentucky State Police shall be an amount no greater than the actual cost of processing the request and conducting the search.

(6) (a) If a school term has begun and a certified or classified position remains unfilled or if a vacancy occurs during a school term, a superintendent may employ an individual, who will have supervisory or disciplinary authority over minors, on probationary status pending receipt of the criminal history background check. Application for the criminal record of a probationary employee shall be made no later than the date probationary employment begins.

(b) Employment shall be contingent on the receipt of the criminal history background check documenting that the probationary employee has no record of a sex crime nor as a violent offender as defined in KRS 17.165.

(c) Notwithstanding KRS 161.720 to 161.800 or any other statute to the contrary, probationary employment under this section shall terminate on receipt by the school district of a criminal history background check documenting a record of a sex crime or as a violent offender as defined in KRS 17.165 and no further procedures shall be required.

(d) The provisions of KRS 161.790 shall apply to terminate employment of a certified employee on the basis of a criminal record other than a record of a sex crime or as a violent offender as defined in KRS 17.165.

(7) (a) Each application or renewal form, provided by the employer to an applicant for a classified position, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A STATE CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF EMPLOYMENT."

(b) Each application or renewal form, provided by the employer to an applicant for a certified position, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A NATIONAL AND STATE CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF EMPLOYMENT."

(8) The provisions of subsections (4), (5), (6), and (7) of this section shall apply to a nonfaculty coach or nonfaculty assistant as defined under KRS 161.185.

The Committee Substitute to **HB 321** is as follows:

HB 321, AN ACT relating to school employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.380 is amended to read as follows:

(1) As used in this section:

(a) "Relative" shall mean father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, and daughter-in-law.

(b) "Vacancy" shall mean any certified position opening created by the resignation, dismissal, nonrenewal of contract, transfer, or death of a certified staff member of a local school district, or a new position created in a local school district for which certification is required. However, if an employer-employee bargained contract contains procedures for filling certified position openings created by the resignation, dismissal, nonrenewal of contract, transfer, or death of a certified staff member, or creation of a new position for which certification is required, a vacancy shall not exist, unless certified positions remain open after compliance with those procedures.

(2) (a) All appointments, promotions, and transfers of principals, supervisors, teachers, and other public school employees shall be made only by the superintendent of schools, who shall notify the board of the action taken. All employees of the local district shall have the qualifications prescribed by law and by the administrative regulations of the Kentucky Board of Education and of the employing board. Supervisors, principals, teachers, and other employees may be appointed by the superintendent for any school year at any time after February 1 preceding the beginning of the school year. No superintendent of schools shall appoint or transfer himself to another position within the school district.

(b) When a vacancy occurs in a local school district ***or as soon as the superintendent receives notice of an upcoming vacancy***, the superintendent shall notify the chief state school officer~~[thirty (30) days before the position shall be filled]~~. The chief state school officer shall keep a registry of local district vacancies which shall be made available to the public. The local school district shall post position openings in the local board office ***and in each work site*** for public viewing. ***Vacancies shall be posted for thirty (30) days or until filled, whichever is longer, and shall not be filled prior to a posting of thirty (30) days except under the provisions of paragraph (c) of this subsection.***

(c) When a vacancy needs to be filled in less than thirty (30) days' time to prevent disruption of necessary instructional or support services of the school district, the superintendent ***on his or her own initiative or on the request of the school-based decision making council, or if none exists, the principal shall***~~[may]~~ seek a waiver from the chief state school officer. If the waiver is approved, the appointment shall not be made until the person recommended for the position has been approved by the chief state school officer. The chief state school officer shall respond to a district's request for waiver or for approval of an appointment within two (2) working days.

(d) When a vacancy occurs in a local district, the superintendent shall conduct a search to locate minority teachers to be considered for the position. The superintendent shall, pursuant to administrative regulations of the Kentucky Board of Education, report annually the district's recruitment process and the activities used to increase the percentage of minority teachers in the district.

(e) No relative of a superintendent of schools shall be an employee of the school district. However, this shall not apply to a relative who is a classified or certified employee of the school district for at least thirty-six (36) months prior to the superintendent assuming office, or prior to marrying a relative of the superintendent, and who is qualified for the position the employee holds. A superintendent's spouse who has at least twenty (20) years of service in school systems may be an employee of the school district. A superintendent's spouse who is employed under this provision shall not hold a position in which the spouse supervises certified or classified employees. A superintendent's spouse may supervise teacher aides and student teachers. However, the superintendent shall not promote a relative who continues employment under an exception of this subsection.

(f) No superintendent shall employ a relative of a school board member of the district, unless on July 13, 1990, the board member's relative is an employee of the district, the board member is holding office, and the relative was not initially hired by the district during the tenure of the board member. A relative employed in 1989-90 and initially hired during the tenure of a board member serving on July 13, 1990, may continue to be employed during the remainder of the board member's term. However, the superintendent shall not promote any relative of a school board member who continues employment under the exception of this subsection.

(g) 1. No principal's relative shall be employed in the principal's school, except a relative who is not the principal's spouse and who was employed in the principal's school during the 1989-90 school year.

2. No spouse of a principal shall be employed in the principal's school, except:

a. A principal's spouse who was employed in the principal's school during the 1989-90 school year for whom there is no position for which the spouse is certified to fill in another school operated in the district; or

b. A principal's spouse who was employed in the 1989-90 school year and is in a school district containing no more than one (1) elementary school, one (1) middle school, and one (1) high school.

3. A principal's spouse who is employed in the principal's school shall be evaluated by a school administrator other than the principal.

4. The provisions of KRS 161.760 shall not apply to any transfer made in order to comply with the provisions of this paragraph.

(3) No superintendent shall employ in any position in the district any person who is a violent offender or has been convicted of a sex crime as defined by KRS 17.165 which is classified as a felony. The superintendent may employ, at his discretion, persons convicted of sex crimes classified as a misdemeanor.

(4) (a) Beginning January 1, 1999, a superintendent shall require a national and state criminal background check on all new certified hires in the school district and student teachers assigned within the district. Excluded are certified individuals who were employed in another certified position in a Kentucky school district within six (6) months of the date of hire and who had previously submitted to a national and state criminal background check for the previous employment.

(b) The superintendent shall require that each new certified hire and student teacher, as set forth in paragraph (a) of this subsection, submit to a national and state criminal history background check by the Kentucky State Police and the Federal Bureau of Investigation.

(c) All fingerprints requested under this section shall be on an applicant fingerprint card provided by Kentucky State Police. The fingerprint cards shall be forwarded to the Federal Bureau of Investigation from the Kentucky State Police after a state criminal background check is conducted. The results of the state and federal criminal background check shall be sent to the hiring superintendent. Any fee charged by the Kentucky State Police and the Federal Bureau of Investigation shall be an amount no greater than the actual cost of processing the request and conducting the search.

(d) The Education Professional Standards Board may promulgate administrative regulations to impose additional qualifications to meet the requirements of Public Law 92-544.

(5) A superintendent shall require a state criminal background check on all classified initial hires.

(a) The superintendent shall require that each classified initial hire submit to a state criminal history background check by the Kentucky State Police.

(b) Any request for records under this section shall be on an applicant fingerprint card provided by Kentucky State Police. The results of the state criminal background check shall be sent to the hiring superintendent. Any fee charged by the Kentucky State Police shall be an amount no greater than the actual cost of processing the request and conducting the search.

(6) (a) If a school term has begun and a certified or classified position remains unfilled or if a vacancy occurs during a school term, a superintendent may employ an individual, who will have supervisory or disciplinary authority over minors, on probationary status pending receipt of the criminal history background check. Application for the criminal record of a probationary employee shall be made no later than the date probationary employment begins.

(b) Employment shall be contingent on the receipt of the criminal history background check documenting that the probationary employee has no record of a sex crime nor as a violent offender as defined in KRS 17.165.

(c) Notwithstanding KRS 161.720 to 161.800 or any other statute to the contrary, probationary employment under this section shall terminate on receipt by the school district of a criminal history background check documenting a record of a sex crime or as a violent offender as defined in KRS 17.165 and no further procedures shall be required.

(d) The provisions of KRS 161.790 shall apply to terminate employment of a certified employee on the basis of a criminal record other than a record of a sex crime or as a violent offender as defined in KRS 17.165.

(7) (a) Each application or renewal form, provided by the employer to an applicant for a classified position, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A STATE CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF EMPLOYMENT."

(b) Each application or renewal form, provided by the employer to an applicant for a certified position, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A NATIONAL AND STATE CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF EMPLOYMENT."

(8) The provisions of subsections (4), (5), (6), and (7) of this section shall apply to a nonfaculty coach or nonfaculty assistant as defined under KRS 161.185.

HB 330, AN ACT relating to the Kentucky Education Excellence Scholarship Program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.7874 is amended to read as follows:

As used in KRS 164.7871 to 164.7885:

(1) "Academic term" means a semester or other time period specified in an administrative regulation promulgated by the council;

(2) "Academic year" means a period consisting of at least the minimum school term, as defined in KRS 158.070;

(3) "ACT score" means the composite score achieved on the American College Test at a national test site on a national test date or an equivalent score, as determined by the council, on the Scholastic Assessment Test;

(4) "Authority" means the Kentucky Higher Education Assistance Authority;

(5) "Award period" means two (2) consecutive academic terms;

(6) ***"Base scholarship amount" means that amount earned by an eligible high school student pursuant to KRS 164.7879 in each academic year as determined by the grade point average earned and reported by the high school at the end of the academic year;***

(7) "Council" means the Council on Postsecondary Education created under KRS 164.011;

(8)[~~(7)~~] "Eligible high school student" means any person who*:*

(a) Is a citizen, national, or permanent resident of the United States and Kentucky resident*;*

(b) ***Was enrolled after July 1, 1998***[~~enrolling~~]

1. In a Kentucky high school, ***at least one hundred forty (140) days of the minimum school term unless exempted by the authority's executive director upon documentation of extreme hardship***[~~after July 1, 1998, who~~], while meeting the Kentucky educational excellence scholarship curriculum requirements, ***and was enrolled in a Kentucky high school at the end of the academic year;***

2. In a Kentucky high school for the fall academic term of the senior year and who:

a. Was enrolled during the entire academic term;

b. Completed the high school's graduation requirements during the fall academic term; and

c. Was not enrolled in a secondary school during any other academic term of that academic year;

3. Has a grade point average of 2.5 or above at the end of any academic year beginning after July 1, 1998, ***or at the end of the fall academic term for a student eligible under subparagraph 2. of this paragraph;*** and

(c) [~~who~~]Is not a convicted felon;

(9)[~~(8)~~] "Eligible postsecondary student" means a citizen, national, or permanent resident of the United States and Kentucky resident, as determined by the participating institution in accordance with criteria established by the council for the purposes of admission and tuition assessment, who:

(a) Earned a Kentucky educational excellence scholarship base, supplemental, or base and supplemental final award;

(b) Has the required postsecondary G.P.A. required under KRS 164.7881;

(c) Has remaining semesters of eligibility under KRS 164.7881;

(d) Is enrolled in a participating institution as a part-time or full-time student; and

(e) Is not a convicted felon;

(10)[~~(9)~~] "Full-time student" means a student enrolled in a postsecondary program of study that meets the full-time student requirements of the participating institution in which the student is enrolled;

(11)[~~(10)~~] "Grade point average" means the grade point average earned by an eligible student ***and reported by the high school or participating institution in which the student was enrolled*** based on a scale of 4.0 or its equivalent if the high school or participating institution that the student attends does not use the 4.0 grade scale;

(12)[~~(11)~~] "High school" means any Kentucky public high school, and any private, parochial, or church school ***located in Kentucky*** that has been certified by the Kentucky Board of Education as voluntarily complying with curriculum, certification, and textbook standards established by the Kentucky Board of Education under KRS 156.160;

(13)[~~(12)~~] "KEES" means Kentucky educational excellence scholarship;

(14)[~~(13)~~] "KEES curriculum" means five (5) courses of study in an academic year as determined by administrative regulation promulgated by the council;

(15)[~~(14)~~] "Kentucky educational excellence scholarship" means a scholarship provided under KRS 164.7871 to 164.7885;

(16)[~~(15)~~] "Kentucky educational excellence scholarship trust fund" means the Wallace G. Wilkinson Kentucky educational excellence scholarship trust fund;

(17)[~~(16)~~] "Maximum award amount" means the sum of the base scholarship amount earned by an eligible high school student in each academic year of high school study plus any supplemental award earned by an eligible high school student or earned pursuant to KRS 164.7879(3)(c). The amount so determined shall be the maximum amount available to the eligible postsecondary student for any award period;

(18)[~~(17)~~] "Participating institution" means an "institution" as defined in KRS 164.001 that actively participates in the federal Pell Grant program, executes a contract with the authority on terms the authority deems necessary or appropriate for the administration of its programs, and:

(a) 1. Is publicly operated; or

2. Is licensed by the Commonwealth of Kentucky and has operated for at least ten (10) years, offers an associate or baccalaureate degree program of study not comprised solely of sectarian instruction, and admits as regular students only high school graduates or recipients of a general equivalency diploma or students transferring from another accredited degree granting institution; or

3. Is designated by the Council on Postsecondary Education as an approved out-of-state institution that offers a degree program in a field of study that is not offered at any institution in the Commonwealth; and

(b) Continues to commit financial resources to student financial assistance programs and provides annual documentation to the authority of compliance;

(19)[~~(18)~~] "Part-time student" means a student enrolled in a postsecondary program of study who does not meet the full-time student requirements of the participating institution in which the student is enrolled and who is enrolled for at least six (6) credit hours or the equivalent for an institution that does not use credit hours; and

(20)[~~(19)~~] "Supplemental award" means commitment of scholarship funds under KRS 164.7879(3).

Section 2. KRS 164.7885 is amended to read as follows:

(1) Not later than August 1, 1999, and each June 30 thereafter, each Kentucky high school shall submit to the Kentucky Department of Education, which shall transmit to the authority, a compiled list of all high school students during the academic year. ***A high school may report the grade point average of an eligible high school student pursuant to Section 1 of this Act by January 15 following the end of the fall academic term in which the student completed the high school graduation requirements.*** The list shall identify the high school and shall contain each high school student's name, social security number, address, grade point average for the academic year, expected or actual graduation date, and highest ACT score. The list need not contain the ACT score if the authority receives the ACT score directly from the testing services. The authority shall notify each eligible high school student of his or her Kentucky educational excellence scholarship award earned each academic year. The authority shall determine the final Kentucky educational excellence scholarship and supplemental award based upon the actual final grade point average and highest ACT score and shall notify each eligible high school student of the final determination. The authority shall make available a list of eligible high school and postsecondary students to participating institutions.

(2) The authority shall provide data access only to participating institutions that have either received an admission application from an eligible high school or postsecondary student or have been listed by the eligible high school or postsecondary student on the Free Application For Federal Student Aid.

(3) For each eligible postsecondary student enrolling in a participating institution after July 1, 1999, the participating institution shall verify to the authority:

(a) The student's initial eligibility for a Kentucky educational excellence scholarship, Kentucky educational excellence scholarship and supplemental award, or supplemental award only pursuant to KRS 164.7879(3)(c) through the comprehensive list compiled by the authority or an alternative source satisfactory to the authority;

(b) The student's highest ACT score attained by the date of graduation from high school, provided that the participating institution need not report the ACT score if the authority receives the ACT score directly from the testing services;

(c) The eligible postsecondary student's full-time or part-time enrollment status at the beginning of each academic term; and

(d) The eligible postsecondary student's cumulative grade point average after the completion of each award period.

(4) Each participating institution shall submit to the authority a report, in a form satisfactory to the authority, of all eligible postsecondary students enrolled for that academic term. Kentucky educational excellence scholarships and supplemental awards shall be disbursed by the authority to each eligible postsecondary student attending a participating institution

during the academic term within thirty (30) days after receiving a satisfactory report.

(5) The Kentucky educational excellence scholarship and the supplemental award shall not be reduced, except as provided in KRS 164.7881(4).

(6) Kentucky educational excellence scholarships and supplemental awards shall not be awarded or disbursed to any eligible postsecondary students who are in default on any obligation to the authority under any programs administered by the authority until financial obligations to the authority are satisfied, except that ineligibility may be waived by the authority for cause.

(7) Notwithstanding the provisions of KRS 164.753, the authority may promulgate administrative regulations for the administration of Kentucky educational excellence scholarships and supplemental awards under the provisions of KRS 164.7871 to 164.7885 and KRS 164.7889.

HB 332, AN ACT relating to school employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.760 is amended to read as follows:

(1) The superintendent of schools shall give notice not later than ***forty-five (45) days before the beginning of each school***[~~July 1 each~~] year to each teacher who holds a contract valid for the succeeding school year, stating the best estimate as to the salary to be paid the teacher during the year. The salary shall not be lower than the salary paid during the preceding school year, unless the reduction is a part of a uniform plan affecting all teachers in the entire district, or unless there is a reduction of responsibilities. Nothing herein shall prevent increases of salary after the superintendent's annual notice has been given. All teachers who refuse assignment shall notify the superintendent in writing not later than ***thirty (30) days before the beginning of each school year***[~~July 15~~].

(2) Transfer or change in appointment of teachers ***later than thirty (30) days before the beginning of each school year***[~~after July 15~~] shall be made only to fill vacancies created by illness, death, or resignations; to reduce or increase personnel because of a shift in school population; to make personnel adjustments after consolidation or merger; or to assign personnel according to their certification pursuant to KRS 161.010 to 161.120 provided, in the latter instance, that the teacher was appointed to a position outside his or her field of certification in the previous year.

(3) Reduction of responsibility for a teacher may be accompanied by a corresponding reduction in salary provided that written notification stating the specific reason for the reduction shall be furnished to the teacher not later than ***ninety (90) days before the beginning of each school year***[~~May 15~~].

(4) Employment of a teacher, under either a limited or a continuing contract, is employment in the school district only and not in a particular position or school.

The Committee Substitute to **HB 332** is as follows:

HB 332, AN ACT relating to school employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.760 is amended to read as follows:

(1) The superintendent of schools shall give notice not later than ***forty-five (45) days before the first student attendance day of the succeeding school***[~~July 1 each~~] year to each teacher who holds a contract valid for the succeeding school year, stating the best estimate as to the salary to be paid the teacher during the year. The salary shall not be lower than the salary paid during the preceding school year, unless the reduction is a part of a uniform plan affecting all teachers in the entire district, or unless there is a reduction of responsibilities. Nothing herein shall prevent increases of salary after the superintendent's annual notice has been given. All teachers who refuse assignment shall notify the superintendent in writing not later than ***thirty (30) days before the first student attendance day of the school year***[~~July 15~~].

(2) Transfer or change in appointment of teachers ***later than thirty (30) days before the first student attendance day of the school year***[~~after July 15~~] shall be made only to fill vacancies created by illness, death, or resignations; to reduce or increase personnel because of a shift in school population; to make personnel adjustments after consolidation or merger; or to assign personnel according to their certification pursuant to KRS 161.010 to 161.120 provided, in the latter instance, that the teacher was appointed to a position outside his or her field of certification in the previous year.

(3) Reduction of responsibility for a teacher may be accompanied by a corresponding reduction in salary provided that written notification stating the specific reason for the reduction shall be furnished to the teacher not later than ***ninety (90) days before the first student attendance day of the school year***[~~May 15~~].

(4) Employment of a teacher, under either a limited or a continuing contract, is employment in the school district only and not in a particular position or school.

HB 386, AN ACT relating to Kentucky's postsecondary education prepaid tuition program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164A.700 is amended to read as follows:

As used in KRS 164A.700 to 164A.709, unless the context requires otherwise:

(1) "Academic year" means the time period specified by each ***eligible educational***[~~participating~~] institution;

(2) "Board" means the board of directors of the Commonwealth postsecondary education prepaid tuition trust fund;

(3) ***"Eligible educational institution" means an institution defined in the Internal Revenue Code of 1986, as amended, 26 U.S.C. sec. 529;***

(4) "Fund" means the prepaid tuition payment fund created in KRS 164A.701 and known as the "Commonwealth Postsecondary Education Prepaid Tuition Trust Fund" ***which shall be marketed under the name "Kentucky's Affordable Prepaid Tuition"***;

(5)[~~(4)~~] "Office" means the Tuition Account Program Office in the Office of the State Treasurer that is responsible for administering the prepaid tuition accounts;

[~~(5) "Participating institution" means any Kentucky public four (4) year institution or two (2) year community college or technical college that grants a postsecondary education credential, all of which are required to participate, and any Kentucky private college or university that is accredited by a national or regional accrediting agency, recognized by the United States Department of Education, that voluntarily requests to participate and is accepted for participation in the program by the board of directors created in KRS 164A.703;~~]

(6) "Prepaid tuition" means the amount of tuition estimated by the board for the [~~standard~~]tuition ***plan under***[~~plans and for each participating institution for the academic year specified in~~] the prepaid tuition contract;

(7) "Prepaid tuition academic year conversion" means the difference between the amount of prepaid tuition required in the original prepaid tuition contract and the amount of prepaid tuition required in an amended prepaid tuition contract as the result of the change in the academic year;

(8) "Prepaid tuition academic year conversion shortfall" means the amount by which the prepaid tuition required in an amended prepaid tuition contract as the result of the change in the academic year exceeds the amount of prepaid tuition required in the original prepaid tuition contract;

(9) "Prepaid tuition account" means the account for a qualified beneficiary as specified in the prepaid tuition contract;

(10) "Prepaid tuition contract" means the contract entered into by the board and the purchaser for the purchase of prepaid tuition for a qualified beneficiary to attend any ***eligible educational***[~~participating~~] institution as provided in KRS 164A.700 to 164A.709;

(11) "Prepaid tuition conversion" means the difference between the ***value of a*** prepaid tuition ***account***[~~of a standard plan~~] and the[~~ prepaid~~] tuition at ***an eligible educational***[~~a participating~~] institution[~~ or the difference between the prepaid tuition at one (1) participating institution and the prepaid tuition at another participating institution~~];

(12) "Prepaid tuition conversion shortfall" means the amount by which the ***actual***[~~prepaid~~] tuition ***cost*** at ***an eligible educational***[~~a participating~~] institution exceeds the amount of the ***value of a*** prepaid tuition ***account***[~~of a standard plan or the amount by which the prepaid tuition at a participating institution exceeds the amount of the prepaid tuition at another participating institution~~];

(13) "Purchaser" means a person, corporation, association, partnership, or other legal entity who enters into a prepaid tuition contract;

(14) "Qualified beneficiary" means***:***

(a) Any ***Kentucky*** resident ***designated as beneficiary***[~~of Kentucky~~] at the time a purchaser enters into a prepaid tuition contract***;***[~~ on behalf of the resident~~] or

(b) Any nonresident ***designated at the time a purchaser enters into a prepaid tuition contract*** who intends to attend ***an eligible***[~~a participating~~] institution in Kentucky; ***or***

(c) The new beneficiary, in the case of a change of beneficiaries under provisions of Section 6 of this Act; or

(d) The individual receiving a scholarship in the case of a prepaid tuition contract purchased by a state or local government or agency or instrumentality thereof or an organization described in 26 U.S.C. sec. 501(c)(3), and exempt from federal income taxation pursuant to 26 U.S.C. sec. 501(a) as part of a scholarship program offered by the government entity or the organization;

(15)[~~ "Standard tuition plan" means the average of the estimated tuition for the:~~

~~(a) Commonwealth's community colleges;~~

~~(b) Technical colleges;~~

~~(c) Four (4) year universities; or~~

~~(d) Private colleges or universities;~~

~~(16)~~] "Tuition" means the actual charges and all mandatory fees required as a condition of full-time enrollment in an undergraduate program for an academic year for a qualified beneficiary to attend ***an eligible educational***[~~a participating~~] institution[~~. Tuition for a private college or university is calculated on the current year tuition rate, increased by the same percentage that the University of Kentucky tuition is increased on a per year basis~~];

(16)[~~(17)~~] ***"Qualified postsecondary education expenses"***[~~"Tuition credit"~~] means the ***expenses as defined in 26 U.S.C. sec. 529***[~~discounted net present value of a unit equal to one twenty-fourth (1/24) of the prepaid tuition~~];[~~ and~~]

(17)[~~(18)~~] "Tuition ***plan***[~~shortfall~~]" means ***a***[~~the amount by which~~] tuition ***plan approved by the board and provided under a***[~~exceeds the~~] prepaid tuition ***contract; and***

(18) "Value of a prepaid tuition account" means the amount which the fund is obligated to pay for tuition for an academic period based on full payment of the purchaser's tuition plan; except, under a tuition plan for private colleges and universities, tuition shall be calculated based on the same percentage that University of Kentucky tuition is increased from the year the prepaid tuition contract is purchased to the year of payment[~~adjusted in proportion to the number of tuition credits purchased~~].

Section 2. KRS 164A.701 is amended to read as follows:

(1) There is hereby created an instrumentality of the Commonwealth to be known as the "Commonwealth Postsecondary Education Prepaid Tuition Trust Fund", to be governed by a board of directors and administered by the Tuition Account Program Office in the Office of the State Treasurer. The fund shall consist of payments received from prepaid tuition contracts under KRS 164A.700 to 164A.709. Income earned from the investment of the fund shall remain in the fund and be credited to it. The fund shall not constitute an investment company as defined in KRS 291.010.

(2) The purposes of the fund are:

(a) To provide affordable access to participating institutions for the qualified beneficiaries; and

(b) To provide students and their parents economic protection against rising tuition costs.

(3) The office and the facilities of the State Treasurer shall be used and employed in the administration of the fund including, but not limited to, the keeping of records, the employment of staff to assist in the administration of the fund, the management of accounts and other investments, the transfer of funds, and the safekeeping of securities evidencing investments. The office of the Treasurer and the board of the Kentucky Higher Education Assistance Authority, shall work together to jointly market, as appropriate, the Commonwealth Prepaid Tuition Plan and the Savings Plan established in KRS 164A.300.

(4) Assets of the fund shall constitute public funds of the Commonwealth and may be invested in any instrument, obligation, security, or property that constitutes legal investments for the investment of public funds in the Commonwealth that are deemed most appropriate by the board and may be pooled for investment purposes with any other investment of the Commonwealth that is eligible for asset pooling.

(5) The fund, through the State Treasurer, may receive and deposit into the fund gifts made by any individual or agency as deemed acceptable by the board.

(6) There is created a separate account within the State Treasurer's office to be known as the prepaid postsecondary tuition administrative account for the purposes of implementing and maintaining the[~~ Commonwealth postsecondary education prepaid tuition trust~~] fund. Funds may be transferred from the property abandoned under KRS Chapter 393 to the administrative account and shall be repaid to the abandoned property fund no later than three (3) years after the transfer. The board may establish administrative fees for handling prepaid tuition contracts and deposit the money in this account.

(7) Four (4) years after July 14, 2000, the administration of the fund shall be transferred from the Office of the State Treasurer to the Kentucky Higher Education Assistance Authority unless the General Assembly shall decide that the administration of the fund shall remain in the Office of the State Treasurer.

Section 3. KRS 164A.703 is amended to read as follows:

(1) The fund shall be governed by an eleven (11) member board of directors. The board shall have five (5) ex officio voting members including the State Treasurer, the president of the Council on Postsecondary Education or designee, the secretary of the Finance Cabinet or designee, the secretary of the Revenue Cabinet or designee, the chair of the Association of ***Independent*** Kentucky[~~ Independent~~] Colleges and Universities or designee, three (3) members appointed by the State Treasurer, and three (3) members appointed by the Governor. The executive director of the Higher Education Assistance Authority or designee shall serve as a nonvoting member. The gubernatorial and State Treasurer appointees shall have experience in finance, accounting, or investment management.

(2) Of the members to be appointed initially by the State Treasurer, one (1) shall be appointed for a three (3) year term, and two (2) shall be appointed for a four (4) year term; of the members to be appointed by the Governor, two (2) shall be appointed for a two (2) year term and one (1) for a three (3) year term. Thereafter, all appointments shall be for terms of four (4) years, except that appointments to fill vacancies shall be for the unexpired terms. No person shall be appointed to serve for more than two (2) successive four (4) year terms. No person holding a full-time office or position of employment with the state, any county or city, or any educational institution shall be eligible for gubernatorial appointment to the board.

(3) Members of the board shall receive no compensation but shall be reimbursed expenses incurred in the performance of their duties at the same per diem and travel rate as is paid the employees of the state.

(4) The State Treasurer shall be the chair and presiding officer of the board. The State Treasurer may appoint other officers as the board may deem advisable or necessary. A majority of the members of the board shall constitute a quorum for the transaction of the business of the fund.

(5) The initial board appointments shall be made by October 1, 2000.

Section 4. KRS 164A.704 is amended to read as follows:

The board shall:

(1) Promulgate administrative regulations, set fees, and adopt procedures as are necessary to implement the provisions of KRS 164A.700 to 164A.709;

(2) Enter into contractual agreements, including contracts for legal, actuarial, financial, and consulting services;

(3) Invest moneys in the fund in any instruments, obligations, securities, or property as permitted by law and deemed appropriate by the board;

(4) Procure insurance to protect against any loss in connection with the fund's property, assets, or activities and to indemnify board members from personal loss or accountability from liability arising from any action or inaction as a board member;

(5) Make arrangements with ***eligible educational***[~~participating~~] institutions in the Commonwealth to fulfill obligations under prepaid tuition contracts, including, but not limited to, payment from the fund of the tuition cost on behalf of a qualified beneficiary to attend a ***eligible educational***[~~participating~~] institution in which the beneficiary is admitted and enrolled;

(6) Develop requirements, procedures, and guidelines regarding prepaid tuition contracts, including but not limited to, the termination, withdrawal, or transfer of payments under a prepaid tuition contract; tuition shortfalls; number of participants; time limitations for prepaid tuition contracts and the use of tuition benefits; tuition conversions; payment schedules; payroll deductions; penalties for failure of purchasers to adhere to contracts; and transfer of prepaid tuition credits towards private education in the Commonwealth or for out-of-state institutions;

(7) Obtain appropriate actuarial assistance to establish, maintain, and certify a fund sufficient to defray the obligation of the fund, annually evaluate or cause to be evaluated, the actuarial soundness of the fund, and determine prior to each academic year the amount of prepaid tuition for each[~~ standard~~] tuition plan and for each ***eligible educational***[~~participating~~] institution for specific academic years, the corresponding ***value***[~~required amount of tuition credits, the amount of prepaid tuition conversion, and the amount of prepaid tuition academic year conversion~~];

(8) Make an annual report each year to the Legislative Research Commission showing the fund's condition;[~~ and~~]

(9) Market and promote participation in the fund***; and***

(10) Develop, sponsor, and maintain a scholarship program, if deemed feasible by the board, to provide the benefits of the fund to financially disadvantaged families and students of Kentucky under criteria established by the board to encourage students to obtain postsecondary education in Kentucky and otherwise consistent with the purposes of the fund.

Section 5. KRS 164A.705 is amended to read as follows:

(1) The prepaid tuition contract entered into by the purchaser and the board shall constitute an irrevocable pledge and guarantee by the fund to pay for the tuition of a qualified beneficiary upon acceptance and enrollment at ***an eligible educational***[~~a participating~~] institution in ***accordance with***[~~proportion to~~] the[~~ number of~~] tuition ***plan***[~~credits~~] purchased.[~~ The fund shall pay this amount to the participating institution on behalf of the qualified beneficiary.~~]

(2) ***Under a***[~~The fund shall pay the amount of any~~] tuition ***plan for private colleges and universities, tuition shall be paid based on the same percentage that University of Kentucky tuition is increased from the year the prepaid tuition contract is purchased to the year of payment***[~~shortfall to the participating institution on behalf of the qualified beneficiary~~].

(3) The purchaser or qualified beneficiary shall pay to the ***eligible educational***[~~participating~~] institution the amount of any prepaid tuition academic year conversion shortfall and the amount of any prepaid tuition conversion shortfall.

(4) A qualified beneficiary attending ***an eligible educational***[~~a participating~~] institution may apply ***the value of a prepaid*** tuition ***account***[~~credits~~] to a specific academic year at the maximum course load or maximum number of credit hours generally permitted to full-time undergraduates at that institution.

(5) The ***value of a prepaid***[~~board and participating institutions may agree that~~] tuition ***account***[~~credits~~] remaining[~~ in a prepaid tuition account~~] after tuition is paid may be ***used for***[~~converted into~~] other ***qualified*** educational ***expenses***[~~expense credits~~] under administrative regulations promulgated by the board in compliance with ***26 U.S.C. sec.***[~~Section~~] 529[~~ of the Internal Revenue Code~~]. The board may permit the use of ***the value of a prepaid*** tuition ***account***[~~credits~~] for part-time undergraduate enrollment or graduate programs at ***eligible educational***[~~participating~~] institutions[~~, after an appropriate conversion. Any prepaid tuition remaining in a prepaid tuition account, for reasons other than termination of the account as provided for in KRS 164A.707, shall be refunded to the purchaser or the purchaser's designee~~].

(6) ***In the event a qualified beneficiary attends an eligible educational institution for which payment of tuition is not***

guaranteed by the fund in whole or in part, and if the cost of tuition exceeds the value of a prepaid tuition account, the fund shall have no responsibility to pay the difference. If the value of a prepaid tuition account exceeds the cost of tuition, the excess may be used for other qualified postsecondary education expenses as directed by the purchaser.

(7) The value of ***a***[~~the~~] prepaid tuition ***account***[~~credits~~] shall not be used in calculating personal asset contribution for determining eligibility and need for student loan programs, student grant programs or other student aid programs administered by any agency of the Commonwealth, except as otherwise may be provided by federal law.

Section 6. KRS 164A.707 is amended to read as follows:

(1) Purchasers buying ***prepaid*** tuition[~~ credits~~] for a qualified beneficiary shall enter into prepaid tuition contracts with the board. These contracts shall be in a form as shall be determined by the office. The contract shall provide for the purchase of ***a*** tuition ***plan***[~~credits~~] for prepaid tuition for the qualified beneficiary from one (1) to ***five (5)***[~~four (4)~~] specific academic years.

(2) Upon written notification to the office a purchaser may amend the prepaid tuition contract to change:

(a) The qualified beneficiary***, in accordance with 26 U.S.C. sec. 529***;

(b) The academic year or years for which ***prepaid*** tuition ***is***[~~credits are~~] purchased;

(c)[~~ A standard plan designation to a participating institution designation;~~]

~~(d)~~] A ***tuition***[~~standard~~] plan designation to another ***tuition***[~~standard~~] plan designation;[~~ or~~]

(d)[~~(e)~~]***The number of years for which prepaid tuition is purchased; or***

(e) Other provisions of the prepaid tuition contract as permitted[~~One (1) participating institution designation to another participating institution designation. The value of the tuition credit shall be adjusted under requirements of administrative regulations promulgated~~] by the board.

(3) A prepaid tuition account shall not be subject to attachment, levy, or execution by any creditor of a purchaser or qualified beneficiary***. Prepaid tuition accounts***[~~ and~~] shall be exempt from all state and local taxes including, but not limited to,[~~ the~~] intangible personal property tax levied under KRS 132.020,[~~ the~~] individual income tax levied under KRS 141.020 and the inheritance tax levied under KRS Chapter 140. ***Payments from a prepaid tuition account used to pay qualified postsecondary education expenses, or disbursed due to the death or disability of the beneficiary, or receipt of a scholarship by the beneficiary shall be exempt from tax liabilities.***

(4) Nothing in KRS 164A.700 to 164A.709 or in a prepaid tuition contract shall be construed as a promise or guarantee that a qualified beneficiary shall be admitted to ***an eligible educational***[~~a participating~~] institution, be allowed to continue to attend ***an eligible educational***[~~a participating~~] institution after having been admitted, or be graduated from ***an eligible educational***[~~a participating~~] institution.

(5) Prepaid tuition contract payments shall not be made in real or personal property other than cash and shall not exceed the prepaid tuition. Prepaid tuition contract payments may be made in lump-sum installments.

(6) The purchaser shall designate the qualified beneficiary at the time the purchaser enters into a prepaid tuition contract***, except for a prepaid tuition contract purchased in accordance with subsection (14)(d) of Section 1 of this Act***. In the case of gifts made to the fund, the board shall designate a qualified beneficiary at the time of the gift.

(7) The prepaid tuition contract shall provide that the purchaser and the qualified beneficiary shall not directly or indirectly or otherwise control the investment of the prepaid tuition account or earnings on the account. Payments made for prepaid tuition shall be accounted for separately for each qualified beneficiary. No interest or earnings on a prepaid tuition contract of the purchaser or qualified beneficiary shall be pledged or otherwise encumbered as security of a debt.

(8) A prepaid tuition contract does not constitute a security as defined in KRS 292.310 or an annuity as defined in KRS 304.5-030.

(9) Each prepaid tuition contract is subject to, and shall incorporate by reference, all operating procedures and policies adopted by the board, the statutes governing prepaid tuition contracts in KRS 164A.700 to 164A.709 and KRS 393.015, and administrative regulations promulgated thereunder. Any amendments to statutes, administrative regulations, and operating procedures and policies shall automatically amend prepaid tuition contracts, with retroactive or prospective effect, as applicable.

Section 7. KRS 164A.709 is amended to read as follows:

(1) ***A purchaser may terminate a prepaid tuition contract at any time upon written request to the office.***

(2) Upon termination of a prepaid tuition contract ***at the request of a purchaser***, the office shall pay from the fund to the purchaser[~~ or the purchaser's designee~~]:

(a) The value of the ***prepaid*** tuition ***account***[~~credits~~] if the contract is terminated for[~~ any of the following~~]:

1. The death of the qualified beneficiary; ***or***

2. The disability of the qualified beneficiary that, in the opinion of the office, would make attendance by the beneficiary at ***an eligible educational***[~~a participating~~] institution impossible or unreasonably burdensome; ***or***

3. A request made on or after July 1 of the initial projected year of enrollment of the qualified beneficiary; and

(b) The ***amounts paid on the purchaser's prepaid***~~[purchase price of the]~~ tuition ***contract***~~[credits]~~ if the contract is terminated ***and a request for refund is made before July 1 of the qualified beneficiary's initial projected year of enrollment. The board may determine a rate of interest to accrue for payment on the amount otherwise payable under this paragraph***~~[for any of the following:~~

~~1. Failure of the qualified beneficiary who, in the opinion of the office, has made a good faith attempt to gain admission to a participating or nonparticipating institution within the time limits imposed by the board; or~~

~~2. The movement of a family of a qualified beneficiary from Kentucky to another state with a savings plan.~~

~~(2) Upon termination of a prepaid tuition account as a result of a decision by the qualified beneficiary to attend a nonparticipating institution, the office at the direction of the beneficiary and upon presentation of proof of the beneficiary's acceptance by and enrollment in the nonparticipating institution, shall pay from the fund to the institution the value of the tuition credits as determined by the board of directors for the postsecondary education prepaid tuition program. If the cost of tuition exceeds the value of the tuition credits, it shall be the responsibility of the beneficiary to pay the difference. If the value of the tuition credits exceeds the cost of tuition, the beneficiary shall be given a refund equal to the difference~~].

(3) At the option of the purchaser~~[or]~~ the ***value of the prepaid***~~[purchaser's designee, the purchase price of any unused]~~ tuition ***account***~~[credits]~~ may be carried forward to another academic year or ***distributed***~~[refunded]~~ by the~~[office from the]~~ fund ***upon the purchaser's request***.

(4) ***All refunds paid shall be net of administrative fees as determined by the board.*** ~~[Upon termination of a tuition account as a result of a decision by the qualified beneficiary not to attend a participating or nonparticipating institution, within time limits determined by the board, the purchaser or purchaser's designee shall receive the purchase price of the tuition credits.~~

~~(5)~~]The office may impose a fee upon termination of the account for administrative costs and deduct the fee from the amount otherwise payable under this section.

(5)~~[(6)]~~ If a qualified beneficiary is awarded a scholarship that covers tuition costs included in a prepaid tuition contract, the purchaser ***may request***~~[or the purchaser's designee shall receive]~~ a refund~~[from the fund by the office]~~ consisting of the amount of the ***value of the*** prepaid tuition ***account, not to exceed the amount of the scholarship***~~[for the number of tuition credits purchased for that academic year]~~.

(6)~~[(7)]~~ If the purchaser wishes to transfer funds from the prepaid tuition account to the Kentucky Higher Educational Savings Plan Trust, the purchaser may do so under administrative regulations promulgated by the board of directors of the Commonwealth postsecondary education prepaid tuition trust fund and the board of the Kentucky Higher Education Assistance Authority.

(7) If the purchaser wishes to transfer funds from the prepaid tuition account to another qualified tuition program as defined in 26 U.S.C. sec. 529, the purchaser may do so under administrative regulations promulgated by the board.

(8) The board may terminate a prepaid tuition contract at any time due to the fraud or misrepresentation of a purchaser or qualified beneficiary with respect to the prepaid tuition contract.

HB 442, AN ACT relating to interscholastic athletics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 156.070 is amended to read as follows:

(1) The Kentucky Board of Education shall have the management and control of the common schools and all programs operated in these schools, including interscholastic athletics, the Kentucky School for the Deaf, the Kentucky School for the Blind, and community education programs and services.

(2) The Kentucky Board of Education may designate an organization or agency to manage interscholastic athletics in the common schools, provided that the rules, regulations, and bylaws of any organization or agency so designated shall be approved by the board, and provided further that any administrative hearing conducted by the designated managing organization or agency shall be conducted in accordance with KRS Chapter 13B.

(a) The state board or its designated agency shall assure through promulgation of administrative regulations that if a secondary school sponsors or intends to sponsor an athletic activity or sport that is similar to a sport for which National Collegiate Athletic Association members offer an athletic scholarship, the school shall sponsor the athletic activity or sport for which a scholarship is offered. The administrative regulations shall specify which athletic activities are similar to sports for which National Collegiate Athletic Association members offer scholarships.

(b) The state board or any agency designated by the state board to manage interscholastic athletics shall not promulgate rules, administrative regulations, or bylaws ***that***~~[which]~~ prohibit pupils in grades seven (7) to eight (8) from participating in any high school sports except for high school varsity soccer and football, or from participating on more than one (1) school-sponsored team at the same time in the same sport. The Kentucky Board of Education, or an agency designated by the board to manage interscholastic athletics, may promulgate administrative regulations restricting, limiting, or prohibiting participation in high school varsity soccer and football for students who have not successfully completed the eighth grade.

(c) ***Every local board of education shall require an annual medical examination performed and signed by a physician, physician assistant, or advanced registered nurse practitioner for each student seeking eligibility to participate in any high school athletic activity or sport. The Kentucky Board of Education or any organization or agency designated by the state board to manage interscholastic athletics shall not promulgate administrative regulations or adopt any policies or bylaws that are contrary to the provisions of this paragraph.***

(d) Any student who turns nineteen (19) years of age prior to August 1 shall not be eligible for high school athletics in Kentucky. Any student who turns nineteen (19) years of age on or after August 1 shall remain eligible for that school year only.

(e)[~~(d)~~]If the state board or any agency designated by the state board to manage interscholastic athletics promulgates administrative regulations that permit a school district to employ or assign nonteaching personnel to serve in a coaching position, those administrative regulations shall apply to all sports and sports activities, including basketball and football. The administrative regulations shall give preference to the hiring or assignment of certified personnel over nonteaching personnel in coaching positions.

(3) (a) The Kentucky Board of Education is hereby authorized to lease from the State Property and Buildings Commission, or others, whether public or private, any lands, buildings, structures, installations, and facilities suitable for use in establishing and furthering television and related facilities as an aid or supplement to classroom instruction, throughout the Commonwealth, and for incidental use in any other proper public functions. The lease may be for any initial term commencing with the date of the lease and ending with the next ensuing June 30, which is the close of the then-current fiscal biennium of the Commonwealth, with exclusive options in favor of the board to renew the same for successive ensuing bienniums, July 1 in each even year to June 30 in the next ensuing even year; and the rentals may be fixed at the sums in each biennium, if renewed, sufficient to enable the State Property and Buildings Commission to pay therefrom the maturing principal of and interest on, and provide reserves for, any revenue bonds which the State Property and Buildings Commission may determine to be necessary and sufficient, in agreement with the board, to provide the cost of acquiring the television and related facilities, with appurtenances, and costs as may be incident to the issuance of the bonds.

(b) Each option of the Kentucky Board of Education to renew the lease for a succeeding biennial term may be exercised at any time after the adjournment of the session of the General Assembly at which appropriations shall have been made for the operation of the state government for such succeeding biennial term, by notifying the State Property and Buildings Commission in writing, signed by the chief state school officer, and delivered to the secretary of the Finance and Administration Cabinet as a member of the commission. The option shall be deemed automatically exercised, and the lease automatically renewed for the succeeding biennium, effective on the first day thereof, unless a written notice of the board's election not to renew shall have been delivered in the office of the secretary of the Finance and Administration Cabinet before the close of business on the last working day in April immediately preceding the beginning of the succeeding biennium.

(c) The Kentucky Board of Education shall not itself operate leased television facilities, or undertake the preparation of the educational presentations or films to be transmitted thereby, but may enter into one (1) or more contracts to provide therefor, with any public agency and instrumentality of the Commonwealth having, or able to provide, a staff with proper technical qualifications, upon which agency and instrumentality the board, through the chief state school officer and the Department of Education, is represented in such manner as to coordinate matters of curriculum with the curricula prescribed for the public schools of the Commonwealth. Any contract for the operation of the leased television or related facilities may permit limited and special uses of the television or related facilities for other programs in the public interest, subject to the reasonable terms and conditions as the board and the operating agency and instrumentality may agree upon; but any contract shall affirmatively forbid the use of the television or related facilities, at any time or in any manner, in the dissemination of political propaganda or in furtherance of the interest of any political party or candidate for public office, or for commercial advertising. No lease between the board and the State Property and Buildings Commission shall bind the board to pay rentals for more than one (1) fiscal biennium at a time, subject to the aforesaid renewal options. The board may receive and may apply to rental payments under any lease and to the cost of providing for the operation of the television or related facilities not only appropriations which may be made to it from state funds, from time to time, but also contributions, gifts, matching funds, devises, and bequests from any source, whether federal or state, and whether public or private, so long as the same are not conditioned upon any improper use of the television or related facilities in a manner inconsistent with the provisions of this subsection.

(4) The state board may, on the recommendation and with the advice of the chief state school officer, prescribe, print, publish, and distribute at public expense such administrative regulations, courses of study, curriculums, bulletins, programs,

outlines, reports, and placards as each deems necessary for the efficient management, control, and operation of the schools and programs under its jurisdiction. All administrative regulations published or distributed by the board shall be inclosed in a booklet or binder on which the words "informational copy" shall be clearly stamped or printed.

(5) Upon the recommendation of the chief state school officer or his designee, the state board shall establish policy or act on all matters relating to programs, services, publications, capital construction and facility renovation, equipment, litigation, contracts, budgets, and all other matters which are the administrative responsibility of the Department of Education.

HB 446, AN ACT relating to community education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.156 is amended to read as follows:

(1) The Kentucky Board of Education shall develop a state plan for community education which sets forth the goals and objectives of the program[~~ and establishes a system of priorities for targeting available resources on the areas with the greatest need~~].

(2) The Kentucky Board of Education shall administer a grant program pursuant to KRS 160.155 and 160.157 to provide money to local school districts to ***employ at least one (1) full-time community education director***[~~:~~

~~(a) Support staff~~] to plan and manage programs and services for community education[~~;~~

~~(b) Support programs that are targeted to the greatest educational needs in the community; and~~

~~(c) Encourage cooperation among all local school districts in a county~~].

(3) Funds appropriated for this purpose shall be distributed by the Kentucky Board of Education through a grant process. Districts shall provide a twenty-five percent (25%) cash match in order to receive state community education funding.

The Committee Substitute to **HB 446** is as follows:

HB 446, AN ACT relating to community education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.156 is amended to read as follows:

(1) The Kentucky Board of Education shall develop a state plan for community education which sets forth the goals and objectives of the program[~~ and establishes a system of priorities for targeting available resources on the areas with the greatest need~~].

(2) The Kentucky Board of Education shall administer a grant program pursuant to KRS 160.155 and 160.157 to provide money to local school districts to ***employ at least one (1) full-time community education director to***:

(a) [~~Support staff to~~]Plan and manage programs and services for community education[~~;~~

~~(b) Support programs~~] that are targeted to the greatest educational needs in the community; and

(b)[~~(c)~~]Encourage cooperation among all local school districts in a county.

(3) Funds appropriated for this purpose shall be distributed by the Kentucky Board of Education through a grant process. Districts shall provide a twenty-five percent (25%) cash match in order to receive state community education funding.

The Committee on Banking and Insurance reported **HB 149, HB 164,** with Committee Amendment attached thereto, **HB 234, HB 235,** with Committee Amendment attached thereto, **HB 298,** with Committee Amendment attached thereto, **HB 409,** and **HCR 38** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 149, AN ACT relating to health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 17 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

In the event of cancellation of an individual health insurance policy issued, delivered, or renewed on or after the effective date of this Act, the insurer shall return promptly the unearned portion of any premium paid. Cancellation shall be without prejudice to any claim originating prior to the effective date of this Act.

HB 164, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.12-030 is amended to read as follows:

(1) As used in this section:

(a) "Replacement" means any transaction in which ***a*** new life insurance ***policy or annuity contract*** is to be purchased and by reason of such transaction ***an*** existing life insurance ***policy or annuity contract*** has been or is to be:

1. Lapsed, forfeited, surrendered[~~,~~] or ***partially surrendered, assigned to the replacing insurer, or*** otherwise terminated;

2. Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

3. Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;

4. Reissued with any reduction in cash value; or

5. ***Used in a financed purchase***[~~Pledged as collateral or subjected to borrowing, whether in a single loan or under a schedule of borrowing over a period of time for amounts in the aggregate exceeding twenty-five percent (25%) of the loan value set forth in the policy~~];

(b) "Existing insurer" means the insurance company whose existing life insurance policy ***or annuity contract*** is or will be terminated or otherwise affected in a replacement transaction;

(c) "Replacing insurer" means the insurance company that issues ***or proposes to issue a*** new life insurance ***policy or annuity contract*** in a replacement transaction;[~~ and~~]

(d) "Existing life insurance ***policy or annuity contract***" means any ***individual*** life insurance ***policy or annuity contract*** in force including ***a*** life insurance ***policy*** under a binding or conditional receipt or a life insurance policy ***or annuity contract*** that is within an unconditional refund period***; and***

(e) "Financed purchase" means the purchase of a new policy involving the actual or intended use of funds obtained by the withdrawal or surrender of, or by borrowing from values of, an existing policy, to pay all or part of any premium due on the new policy. If a withdrawal, surrender, or borrowing involving the policy values of an existing policy is used to pay premiums on a new policy owned by the same policyholder and issued by the same company within four (4) months before or thirteen (13) months after the effective date of the new policy, it will be deemed prima facie evidence of the policyholder's intent to finance the purchase of the new policy with existing policy values. This prima facie standard is not intended to increase or decrease the monitoring obligations of the existing insurer[~~, but excluding life insurance obtained through the exercise of a dividend option~~].

(2) Any person who solicits an application for ***a*** new life insurance ***policy or annuity contract*** on the life of another and who knows, or with the exercise of reasonable inquiry should know, that such insurance will be purchased or otherwise acquired in a replacement transaction shall not issue ***a*** new life insurance ***policy or annuity contract*** to the applicant until thirty (30) days after notice of such proposed replacement together with a copy of all soliciting material shown or delivered to the proposed insured has been delivered by the replacing insurer to the existing insurer.

(3) No replacing insurer shall issue any life insurance ***policy or annuity contract*** in a replacement transaction to replace ***an*** existing life insurance ***policy or annuity contract*** unless the replacing insurer shall agree in writing with the insured that:

(a) The new life insurance ***policy or annuity contract*** issued by the replacing insurer will not be contestable by it in the event of such insured's death to any greater extent than the existing life insurance ***policy or annuity contract*** would have been contestable by the existing insurer had such replacement not taken place provided, however, that this paragraph shall not apply to that amount of insurance written and issued which exceeds the amount of the existing life insurance; and

(b) The new life insurance ***policy or annuity contract*** issued by the replacing insurer may be voluntarily surrendered by the insured at any time within thirty (30) days after its delivery to the insured in exchange for a full refund of premiums paid by the replacing insurer to the insured.

(4) Unless otherwise specifically included, subsections (2) and (3) of this section shall not apply to:

(a)[~~ Annuities;~~

~~(b)~~] Individual credit life insurance;

(b)[~~(c)~~]Group life insurance, group credit life insurance, and life insurance policies issued in connection with a pension, profit-sharing or other benefit plan qualifying for tax deductibility of premiums, provided, however, that as to any plan described in this subsection, full and complete disclosure of all material facts shall be given to the administrator of any plan to be replaced;

[~~(d) Variable life insurance under which the death benefits and cash values vary in accordance with unit values of investments held in a separate account;~~]

(c)[~~(e)~~] An application to the existing insurer that issued the existing life insurance and a contractual policy change or conversion privilege or a privilege of policy change granted by the insurer is being exercised; ***or***

(d)[~~(f)~~] Existing life insurance that is a nonconvertible term life insurance policy which will expire in five (5) years or less and cannot be renewed***.***[~~; or~~

~~(g) Proposed life insurance that is to replace life insurance under a binding or conditional receipt issued by the same company~~].

[~~(5) As to proposed life insurance that is to replace existing life insurance issued by the same insurer or an insurer in the same group of affiliated insurers:~~

~~(a) Subsection (2) of this section shall not apply to such insurance; and~~

~~(b) Subsection (3) of this section shall apply to such insurance.~~]

(5)[~~(6)~~] No person shall make or issue, or cause to be made or issued, any written or oral statement of a material fact which is untrue or omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they were made, not misleading with respect to comparisons as to the terms, conditions, or benefits contained in any policy for the purpose of inducing or attempting or tending to induce the policyholder to lapse, forfeit, borrow against, surrender, retain, exchange, modify, convert, or otherwise affect or dispose of any insurance policy.

Section 2. KRS 304.15-700 is amended to read as follows:

(1) No person may act as a viatical settlement provider or broker, or enter into or solicit a viatical settlement contract without first having obtained a license from the commissioner. All applicants for a viatical settlement broker license shall[~~ attend the required viatical broker training and~~] pass a viatical broker examination designated by the department through administrative regulation.

(2) The examination of contracts shall take place simultaneously with the company's approval process. Any form to be used in the solicitation of the transaction and the transaction shall be filed for prior approval with the department and shall contain a form number. Viatical settlement providers and brokers shall provide the department notice of any change in the licensee's name, residence address, principal business address, or mailing address at least thirty (30) days prior to the effective date of the change.

(3) The commissioner shall promulgate administrative regulations in accordance with KRS Chapter 13A that are necessary to provide for the following:

(a) Licensing of viatical settlement providers;

(b) Licensing of viatical settlement brokers;

(c) Termination or revocation of the license of a viatical settlement provider and a viatical settlement broker; and

(d) Prescribing that the amount of the viatical examination fee shall be equal to the life examination fee.

(4) Prior to issuance of a license as a viatical settlement broker or viatical settlement provider, the applicant shall file with the commissioner, and thereafter for as long as the license remains in effect shall keep in force, evidence of financial responsibility in the sum of not less than five hundred thousand dollars ($500,000) per occurrence, and the sum of one million five hundred thousand dollars ($1,500,000) in the aggregate, for all occurrences within one (1) year. This evidence shall be in the form of an errors and omissions insurance policy issued ***in accordance with this chapter***[~~by an authorized insurer~~], a bond issued ***in accordance with this chapter***[~~by an authorized corporate surety~~], a deposit, or any combination of these evidences of financial responsibility. The policy, bond, deposit, or combination thereof shall not be terminated without thirty (30) days' prior written notice to the licensee and the commissioner.

(5) No person shall use any viatical settlement contract in this Commonwealth unless it has been filed with and approved by the commissioner. At the expiration of sixty (60) days from the date the filing is complete, the form filed shall be deemed approved unless the commissioner has by order given prior approval or disapproval. Approval of a form by the commissioner shall constitute a waiver of any unexpired portion of the waiting period. The commissioner may extend by not more than thirty (30) days the time period in which he or she may approve or disapprove any form. The commissioner shall give notice to the licensee of the extension before expiration of the initial sixty (60) day period. At the expiration of the extended period, and in the absence of the prior approval or disapproval, the form shall be deemed approved. The commissioner may at any time, after notice and for cause shown, withdraw any approval. The commissioner shall disapprove a viatical settlement contract form if, in the determination of the commissioner, the contract or provisions contained therein are unreasonable, contrary to the interests of the public, or otherwise are misleading or unfair to the policyowner. Upon notice and hearing the commissioner shall withdraw approval of any contract later determined to be unreasonable, misleading, unfair, or contrary to the interest of the public.

(6) A licensed viatical settlement provider shall not use any person to perform the functions of a viatical settlement broker as defined in KRS 304.15-020 unless the person holds a current and valid license as a viatical settlement broker. Individuals employed by viatical settlement providers shall not engage in viatical settlement broker activities unless they hold a current and valid license. A licensed viatical settlement broker shall not use any person to perform the functions of a viatical settlement provider as defined in KRS 304.15-020 unless the person holds a current and valid license as a viatical settlement provider. Individuals employed by viatical settlement brokers shall not engage in viatical settlement broker

activities unless they hold a current valid license.

(7) If any employee of a licensee violates any provision of KRS 304.15-020, 304.15-700 to 304.15-720, 304.42-190, and 304.99-126, the department may take disciplinary action against the employer licensee.

(8) When a viatical settlement provider elects to use a related provider trust in accordance with KRS 304.15-716, the viatical settlement provider shall file notice of its intention to use that trust with the department with a copy of the trust agreement. Any change in the trust agreement shall be filed with the commissioner prior to its effect.

(9) Notwithstanding the manner in which the viatical settlement broker is compensated, a viatical settlement broker represents the viator and owes a fiduciary duty to the viator to act according to the viator's instructions and in the best interest of the viator.

(10) Any additional death benefit payment on a life insurance policy that is the subject of a viatical settlement contract with a double or additional indemnity for accidental death shall be payable to the following:

(a) The beneficiary last named by the policy owner prior to entering into the viatical settlement contract; or

(b) To the estate of the viator in the absence of a beneficiary.

Section 3. KRS 304.15-717 is amended to read as follows:

It is unlawful for any person:

(1) To knowingly enter into a viatical settlement contract when the subject life insurance policy was obtained by means of a false, deceptive, or misleading application for the life insurance policy;

(2) In the solicitation or purchase of a viatical settlement:

(a) To employ a device, scheme, or artifice to defraud;

(b) To obtain money or property by means of an untrue statement of a material fact, or by any omission to state a material fact;

(c) To engage in any transaction, practice, or course of business that operates or would operate as a fraud or deceit upon a person; and

(d) To misrepresent that the viatical provider, viatical broker, or other licensee has been guaranteed, sponsored, recommended, or approved by the state, or by any local, state, or federal agency or officer thereof.

This subsection shall not prohibit a statement that the person is licensed, if that statement is true and the effect of the statement is not misrepresented;

(3) To act as a viatical settlement broker if the person is acting as a viatical settlement provider in the same viatical settlement contract;

(4) To act as the viatical settlement broker or provider regarding a life insurance policy if the broker or provider is the life insurance agent that produced or receives commissions from the policy being viated;~~[and]~~

(5) If the person is licensed as a viatical settlement provider or viatical settlement broker, to pay any compensation or provide anything of value to an insured's physician, attorney, accountant, or any other person who provides medical, legal, or financial advice to the insured as a finder's or referral fee***; and***

(6) To enter into a viatical settlement contract within a two (2) year period commencing with the date of issuance of the insurance policy or certificate unless the viator certifies to the viatical settlement provider that one (1) or more of the following conditions have been met within the two (2) year period:

(a) The policy was issued upon the viator's exercise of conversion rights arising out of a group or individual policy, provided the total of the time covered under the conversion policy plus the time covered under the prior policy is at least twenty-four (24) months. The time covered under a group policy shall be calculated without regard to any change in insurance carriers, provided the coverage has been continuous and under the same group sponsorship;

(b) The viator is a charitable organization exempt from taxation under 26 U.S.C. sec. 501(c)(3);

(c) The viator is not a natural person (e.g., the owner is a corporation, limited liability company, partnership, etc.); or

(d) 1. The viator submits independent evidence to the viatical settlement provider that one (1) or more of the following conditions have been met within the two (2) year period:

a. The viator or insured is diagnosed terminally or chronically ill;

b. The viator's spouse dies;

c. The viator divorces his or her spouse;

d. The viator retires from full-time employment;

e. The viator becomes physically or mentally disabled and a physician determines that the disability prevents the viator from maintaining full-time employment;

f. The viator was the insured's employer at the time the policy or certificate was issued and the

employment relationship terminated;

g. A final order, judgment, or decree is entered by a court of competent jurisdiction, on the application of a creditor of the viator, adjudicating the viator bankrupt or insolvent, or approving a petition seeking reorganization of the viator or appointing a receiver, trustee, or liquidator to all or a substantial part of the viator's assets;

h. The viator experiences a significant decrease in income that is unexpected and that impairs the viator's reasonable ability to pay the policy premium; or

i. The viator or insured disposes of his or her ownership interests in a closely held corporation.

2. Copies of the independent evidence described in subparagraph 1. of this paragraph and documents required by KRS 304.15-715 shall be submitted to the insurer when the viatical settlement provider submits a request to the insurer for verification of coverage. The copies shall be accompanied by a letter of attestation from the viatical settlement provider that the copies are true and correct copies of the documents received by the viatical settlement provider.

3. If the viatical settlement provider submits to the insurer a copy of the owner or insured's certification described in this paragraph when the provider submits a request to the insurer to effect the transfer of the policy or certificate to the viatical settlement provider, the copy shall be deemed to conclusively establish that the viatical settlement contract satisfies the requirements of this section and the insurer shall timely respond to the request.

The Committee Amendment No. 1 to **HB 164** is as follows:

On page 3, line 23, by deleting "***or***"; and

On page 3, line 25, by deleting "**.**"; and

On page 3, line 25, by removing the opening bracket and strikethroughs from "~~[; or~~"; and

On page 3, line 26, by inserting "***(e)***" before "~~(g)~~"; and

On page 3, line 26, by removing the strikethroughs from the entire text on this line; and

On page 3, line 27, by removing the strikethroughs from the entire text on this line and by removing the closing bracket following "~~company]~~".

HB 234, AN ACT relating to office location of mortgage loan brokers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 294 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section, "physical office" means an actual office where the business of mortgage lending or the business of taking or soliciting mortgage loan applications is conducted. The office shall have a street address. A post office box or other similar designation shall not meet the requirements of this section. The office shall be accessible to the general public as a place of business and shall hold itself open on a regular basis during posted hours, unless the office is in the residence of the mortgage loan broker and proof of residence has been submitted as required by subsection (7) of Section 2 of this Act.

(2) (a) Each mortgage loan broker licensed under this chapter shall maintain a physical office in Kentucky.

  (b) Any mortgage loan broker licensed under this chapter on the effective date of this Act who does not maintain a physical office in Kentucky shall have ninety (90) days after the effective date of this Act in which to establish a physical office as required by this section. After the ninety (90) day period, it shall be unlawful for a mortgage loan broker licensed under this chapter on the effective date of this Act to transact business as a mortgage loan broker in Kentucky if the licensed mortgage loan broker does not maintain a physical office in Kentucky as required by this section.

(3) The license certificate of a mortgage loan broker shall be at all times prominently displayed in the mortgage loan broker's physical office.

Section 2. KRS 294.032 is amended to read as follows:

(1) A license as a mortgage loan company or a mortgage loan broker may be obtained by filing a written application with the commissioner.

(2) The application shall:

  (a) Be sworn to;

  (b) State the name of the applicant and each of the applicant's affiliates engaged in business as a mortgage loan company or a mortgage loan broker;

  (c) State the name under which the applicant will conduct business in Kentucky;

(d) State the location of the applicant's principal office and branch offices in Kentucky;

(e) List the name, residence, and business address of each person having an interest in the business as principal, partner, officer, trustee, and director, specifying the capacity and title of each;

(f) Indicate the general plan and character of the business;

(g) Contain a corporate surety bond or other instrument as prescribed by KRS 294.060;

(h) If applying for a mortgage loan broker license, contain a compiled financial statement of the applicant; or, if applying for a mortgage loan company license, contain a reviewed or audited financial statement of the applicant prepared by a licensed or certified public accountant;

(i) Require payment of the appropriate registration fees; and

(j) Require such other information as the commissioner determines necessary.

(3) No mortgage loan company license may be granted unless the applicant has and maintains, so long as the license is in effect, a minimum, documented funding source of five hundred thousand dollars ($500,000). If a mortgage loan company has a net worth in excess of five hundred thousand dollars ($500,000), an additional funding source is not required.

(4) If a licensee is a person other than a natural person, the license issued to it shall entitle all officers and employees of the person, if a corporation, and all members, partners, trustees, and employees, if an association, partnership, or trust, to engage in the mortgage loan business licensed pursuant to this chapter.

(5) If a licensee desires to establish a branch office in Kentucky not already approved, the licensee shall file a registration statement with the commissioner that includes the address and telephone number of the branch office, the name of the prospective manager, the anticipated opening date, and any other information prescribed by the commissioner.

(6) All applicants for a mortgage loan broker license shall have successfully completed an educational training course, approved by the department, of not less than thirty (30) hours' duration. Mortgage loan brokers who have held a license for at least one (1) year shall be exempt from this requirement. This section shall not become effective until the department has approved at least one (1) educational training course. This section shall not apply to renewals of existing licenses.

(7) (a) On and after the effective date of this Act, the application for a mortgage loan broker license shall state the location of the physical office where the business is to be located in Kentucky in compliance with Section 1 of this Act and whether any location is a residence. The application shall be accompanied by photographs of the exterior, interior, and exterior sign of each location. If the nonresidence location is leased, the lease shall be for a term of at least one (1) year and a copy of the lease and the names of all employees conducting business under the lease shall accompany the application. If the location is a residence, proof that the location is a residence, in a form as required by the commissioner, shall accompany the application. Proof of residence must confirm that the mortgage loan broker owns or leases the residence and lives in the residence as the mortgage loan broker's main residence.

(b) The information required by paragraph (a) of this section shall be required for renewals of existing licenses which will expire on June 30, 2003, and for all renewals of licenses thereafter.

(c) At least ten (10) days prior to the effective date of an address change of the mortgage loan broker's physical office in Kentucky, the mortgage loan broker shall notify the commissioner in writing of the address change and include the information required by paragraph (a) of this subsection.

Section 3. KRS 294.034 is amended to read as follows:

(1) An applicant for a license under this chapter shall provide the commissioner with separate checks payable to the Kentucky State Treasurer for:

(a) An investigation fee of three hundred dollars ($300) for the principal office and one hundred fifty dollars ($150) for each branch office; and

(b) A license fee of four hundred fifty dollars ($450) for the principal office and two hundred fifty dollars ($250) for each branch in Kentucky if the applicant applies for a license on or between July 1 and December 31 or of one hundred fifty dollars ($150) for the principal office and one hundred dollars ($100) for each branch if the applicant applies for a license on or between January 1 and June 30.

(2) A license under this chapter shall expire June 30 next after the date of issuance if it is not renewed.

(3) A license may be renewed by paying the annual fee for renewing a license which is three hundred fifty dollars ($350) for the main office and two hundred fifty dollars ($250) for each branch office in Kentucky, and submitting an annual report of activity as prescribed by the commissioner, and any other information required by the commissioner. ***The commissioner shall not approve the renewal of a mortgage loan broker's license if the commissioner has not received the information on office location as required by subsection (7) of Section 2 of this Act.***

4) The information and payment shall be received by the commissioner on or before June 20 prior to the June 30 expiration date. The commissioner may reinstate the license if the licensee pays the filing fee and a reinstatement fee of one hundred dollars ($100).

(5) The department shall provide a licensee with a duplicate copy of any license upon a satisfactory showing of its loss and payment of a ten dollar ($10) replacement fee.

HB 235, AN ACT relating to mortgage loan business.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 294.010 is amended to read as follows:

Unless the context otherwise requires:

(1) "Affiliate" means any person who directly or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under common control with another person;

(2) "Department" means the Department of Financial Institutions;

(3) "Commissioner" means the commissioner of financial institutions;

(4) "Mortgage loan" means any loan secured by a mortgage on residential real property or any loan secured by collateral which has a mortgage lien interest in residential real property;

(5) "Residential real property" means any single family residence or multiple dwelling structure containing four (4) or less single dwelling units for four (4) or less family units, living independently of each other, or any single family condominium unit;

(6) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interest of the beneficiaries is evidenced by a security, an unincorporated organization, a government, a political subdivision of a government, or any other group however organized;

(7) "Mortgage loan company" means any person who directly or indirectly:

(a) Holds himself out as being able to make or purchase loans secured by mortgages on residential real property;

(b) Holds himself out as being able to service loans secured by mortgages on residential real property; and

(c) Holds himself out as being able to buy or sell notes secured by mortgages on residential real property;

(8) ***(a)*** "Mortgage loan broker" means any person who for compensation or gain, or in the expectation of compensation or gain, directly or indirectly:

1.[~~(a)~~] Holds himself out as being able to serve as an agent for any person in an attempt to obtain a loan which will be secured by a mortgage on residential real property; or

2.[~~(b)~~] Holds himself out as being able to serve as an agent for any person who has money to loan, which loan is or will be secured by a mortgage on residential real property***;***

(b) "Mortgage loan broker" does not mean:

1. A person who performs only clerical functions such as delivering a loan application to a mortgage loan broker or mortgage loan company or gathering information related to a mortgage loan application on behalf of the prospective borrower, mortgage loan broker, or mortgage loan company; or

2. A person who performs functions of a loan processor;

(9) "Loan officer" or "originator" means an individual who establishes the rates, terms, and conditions of a loan with a borrower or prospective borrower. The term does not mean:

(a) An individual who performs only clerical functions such as delivering a loan application to a mortgage loan broker or mortgage loan company or gathering information related to a mortgage loan application on behalf of the prospective borrower, mortgage loan broker, or mortgage loan company; or

(b) A person who performs functions of a loan processor;

(10) "Loan processor" means an individual who works under the instruction of a loan officer or mortgage loan broker and performs only clerical functions such as gathering information, requesting information, word processing, sending correspondence, or assembling files.

Section 2. KRS 294.020 is amended to read as follows:

(1) The following shall be exempt from this chapter:

(a) Any person duly licensed, chartered, or otherwise subject to regular examination at least once every two (2) years by a state or federal financial institution regulatory agency under the laws of this state or any other state or the United States as a bank, bank holding company, trust company, credit union, savings and loan association, service corporation subsidiary of savings and loan associations, consumer loan or finance company, industrial loan company, insurance company, real estate investment trust as defined in 26 U.S.C. sec. 856, an institution of the farm credit system organized under the Farm Credit Act of 1971 as amended, or wholly owned subsidiary of any institution listed in this paragraph if the institution maintains a place of business in Kentucky;

(b) An attorney-at-law licensed to practice law in Kentucky who is not principally engaged in the business of negotiating mortgage loans, when the person renders services in the course of his practice as an attorney-at-law;

(c) Any person doing any act under order of any court;

(d) The United States of America, the Commonwealth of Kentucky, or any other state, and any Kentucky city, county, or other political subdivision, and any agency, division, or corporate instrumentality of any of the foregoing;

(e) The Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), and the Government National Mortgage Association (GNMA);

(f) With the approval of the commissioner, an independent contractor that solicits mortgage loans for only one (1) licensed mortgage loan company or licensed mortgage loan broker may be exempted from obtaining a license under this chapter if:

1. The licensed mortgage loan company or licensed mortgage loan broker notifies the department that it will assume legal responsibility for the actions of the independent contractor in complying with the provisions of KRS Chapter 294; and

2. The licensed mortgage loan company or licensed mortgage loan broker provides the department with proof that its bond will cover the independent contractor; and

(g) Any mortgage loan involving housing initially transferred by certificate of title under KRS Chapter 186A.

(2) The following shall be exempt from all the provisions of this chapter except that they shall be subject to the examination or investigation provisions of KRS 294.170(4), (5), and (6), 294.180, and 294.190 if it appears on grounds satisfactory to the commissioner, on written complaint, that an examination or investigation is necessary, and they shall be subject to the prohibited acts provisions of KRS 294.220***, and to Sections 4 and 5 of this Act in the case of mortgage loan brokers regulated by the Department of Housing and Urban Development***:

(a) Mortgage loan companies or mortgage loan brokers regulated by the Department of Housing and Urban Development;

(b) Any natural person making a mortgage loan with his or her own funds for the person's own investment without intent to resell the mortgage loan;

(c) Any person doing business under the laws of this state or the United States relating to any broker-dealer, agent, or investment adviser duly registered with the Department of Financial Institutions;

(d) Any person licensed in this state as a real estate broker or real estate sales associate, not actively engaged in the business of negotiating loans secured by real property, when the person renders the services in the course of his or her practice as a real estate broker or real estate associate; and

(e) Any person making less than five (5) mortgage loans per year.

(3) Any person relying upon an exemption under subsection (2)(c) or (d) of this section shall file with the commissioner a claim of exemption. The commissioner shall thereafter determine the availability of the claimed exemption and he shall not disallow an exemption that is validly claimed.

(4) Any person listed in subsection (1)(a), (b), (c), (d), or (e) of this section shall not be required to file with the commissioner a claim of exemption.

(5) (a) Any natural person making a loan under subsection (2)(b) of this section shall make the following disclosure, on a separate sheet of paper in minimum eighteen (18) point type, to the borrower:

DISCLOSURE

(Name and address of lender) is not licensed or regulated by the Kentucky Department of Financial Institutions.

(Name of lender) is making this mortgage loan with his or her own funds, for the person's own investment, without intent to resell the mortgage loan.

(The phone number and address of the Kentucky Department of Financial Institutions.)

(b) A copy of the disclosure, signed by the borrower, shall be maintained by the natural person for a period not to exceed three (3) years after the date the mortgage loan is paid in full.

(c) This subsection shall not apply to a natural person under subsection (2)(b) of this section making less than five (5) mortgage loans per year.

Section 3. KRS 294.030 is amended to read as follows:

(1) (a) It is unlawful for any person to transact business in this state, either directly or indirectly, as a mortgage loan company or mortgage loan broker if he is not licensed under this chapter ***and registered in accordance with Section 4 of this Act***, unless that person is exempt under KRS 294.020 and, if required by KRS 294.020(3) to file a claim of exemption, has filed a claim of exemption and the filed claim of exemption has been allowed by the commissioner.

(b) It is unlawful for any natural person to make a loan under KRS 294.020(2)(b) without making the disclosure required by KRS 294.020(5).

(c) It is unlawful for any loan officer to originate mortgage loans in Kentucky unless the loan officer is registered in accordance with Section 4 of this Act, unless that person is exempt under Section 2 of this Act.

(2) Neither the fact that a license has been issued nor the fact that any person, business, or company is effectively registered, constitutes a finding by the commissioner that any document filed under this chapter is true, complete, and not misleading. Nor does such fact directly or indirectly imply approval of the registrant by the commissioner or the Commonwealth of Kentucky. It is unlawful to make or cause to be made to any prospective customer or client any representation inconsistent with this subsection.

(3) Any person who willfully transacts business in this state in violation of subsection (1) of this section shall have no right to collect, receive, or retain any interest or charges whatsoever on a loan contract, but the unpaid principal of the loan shall be paid in full.

SECTION 4. A NEW SECTION OF KRS CHAPTER 294 IS CREATED TO READ AS FOLLOWS:

(1) Beginning July 1, 2003, and annually thereafter, no mortgage loan broker and no loan officer shall originate mortgage loans in Kentucky unless the individual is registered with the department and has been issued a certificate of registration by the department. The department shall maintain a registry of all mortgage loan brokers and loan officers originating mortgage loans in Kentucky. The department shall issue a certificate of registration to all registered mortgage loan brokers and loan officers.

(2) The registration shall:

(a) Be on a form prescribed by the commissioner;

(b) Be accompanied by a registration fee in the amount of fifty dollars ($50) which shall be used solely by the department to establish and maintain the registry system required by this section and any excess funds shall be retained by the department and shall not lapse to the general fund;

(c) In the case of loan officers, be accompanied by satisfactory evidence that the applicant has successfully completed twelve (12) classroom hours of education courses related directly to the loan brokerage business approved by the commissioner. This paragraph shall not apply to renewals of existing certificates of registration; and

(d) Beginning July 1, 2004, in the case of renewals of certificate of registrations by registered mortgage loan brokers and registered loan officers, be accompanied by satisfactory evidence that the individual has successfully met the continuing education requirements of Section 5 of this Act and a renewal fee in the amount of fifty dollars ($50) which shall be used solely by the department to establish and maintain the registry system required by this section and any excess funds shall be retained by the department and shall not lapse to the general fund.

SECTION 5. A NEW SECTION OF KRS CHAPTER 294 IS CREATED TO READ AS FOLLOWS:

(1) Beginning July 1, 2003, all registered mortgage loan brokers and registered loan officers shall complete at least twelve (12) classroom hours of continuing professional education by June 30, 2004, and annually thereafter.

(2) Up to twelve (12) classroom hours of continuing professional education may be carried forward from one (1) continuing education year to the next continuing education year. The continuing education year shall begin on July 1 and end on June 30 of the following year.

(3) Fifty (50) minutes of classroom contact shall equal one (1) hour of continuing professional education. Course sponsors shall maintain records of attendees for two (2) years after the course.

(4) Every registered mortgage loan broker and every registered loan officer subject to this section shall furnish to the commissioner written certification as to the continuing professional education courses satisfactorily completed. The certification shall be signed by the teacher or sponsoring organization of the course showing the number of hours of the course and the number of hours attended. The certification shall be on a form prescribed by the commissioner.

(5) (a) Only courses approved by the department shall qualify to satisfy the continuing professional education requirement of this section.

(b) The continuing professional education courses which meet the department's standards shall include all training classroom courses approved by the Kentucky Mortgage Brokers Association.

(c) The Kentucky Mortgage Brokers Association may recommend courses to the department.

(6) An individual teaching any approved continuing professional education course shall qualify for the same number of hours of continuing professional education as would be granted to a mortgage loan broker or loan officer taking and satisfactorily completing the course.

(7) For good cause shown, the commissioner may grant an extension during which the continuing education requirement of this section may be completed, but the extension may not exceed one (1) year. What constitutes good cause for the extension of time rests within the discretion of the commissioner.

(8) The certificate of registration of any mortgage loan broker and any loan officer failing to comply with the continuing professional education requirements of this section and who has not been granted an extension of time to comply in

accordance with subsection (7) of this section shall terminate and shall be promptly surrendered to the commissioner without demand. The mortgage loan broker or mortgage loan officer shall not originate any mortgage loans while not registered. The commissioner may reinstate the certificate of registration if the mortgage loan broker or loan officer submits proof of compliance with the professional education requirements and pays a reinstatement fee in the amount of one hundred fifty dollars ($150).

(9) The certificate of registration of any mortgage loan broker and any loan officer subject to the continuing professional education requirement of this section shall be suspended or revoked, and a civil penalty not to exceed one hundred dollars ($100) may be assessed against the individual, or both, if the individual submits to the commissioner a false or fraudulent certificate of compliance with the continuing professional education requirement.

Section 6. KRS 294.032 is amended to read as follows:

(1) A license as a mortgage loan company or a mortgage loan broker may be obtained by filing a written application with the commissioner.

(2) The application shall:

(a) Be sworn to;

(b) State the name of the applicant and each of the applicant's affiliates engaged in business as a mortgage loan company or a mortgage loan broker;

(c) State the name under which the applicant will conduct business in Kentucky;

(d) State the location of the applicant's principal office and branch offices in Kentucky;

(e) List the name, residence, and business address of each person having an interest in the business as principal, partner, officer, trustee, and director, specifying the capacity and title of each;

(f) Indicate the general plan and character of the business;

(g) Contain a corporate surety bond or other instrument as prescribed by KRS 294.060;

(h) If applying for a mortgage loan broker license, contain a compiled financial statement of the applicant; or, if applying for a mortgage loan company license, contain a reviewed or audited financial statement of the applicant prepared by a licensed or certified public accountant;

(i) Require payment of the appropriate registration fees; and

(j) Require such other information as the commissioner determines necessary.

(3) No mortgage loan company license may be granted unless the applicant has and maintains, so long as the license is in effect, a minimum, documented funding source of five hundred thousand dollars ($500,000). If a mortgage loan company has a net worth in excess of five hundred thousand dollars ($500,000), an additional funding source is not required.

(4) If a licensee is a person other than a natural person, the license issued to it shall entitle all officers and employees of the person, if a corporation, and all members, partners, trustees, and employees, if an association, partnership, or trust, to engage in the mortgage loan business licensed pursuant to this chapter.

(5) If a licensee desires to establish a branch office in Kentucky not already approved, the licensee shall file a registration statement with the commissioner that includes the address and telephone number of the branch office, the name of the prospective manager, the anticipated opening date, and any other information prescribed by the commissioner.

(6) All applicants for a mortgage loan broker license shall have successfully completed an educational training course, approved by the department, of not less than thirty (30) ***classroom*** hours' duration. Mortgage loan brokers who have held a license for at least one (1) year shall be exempt from this requirement. This section shall not become effective until the department has approved at least one (1) educational training course. This section shall not apply to renewals of existing licenses.

The Committee Amendment No. 1 to **HB 235** is as follows:

On page 2, line 27, after "*files*" by adding:

"*; and*

"*(11) "Classroom" means a physical classroom environment in which teachers and participants are physically present for the teaching of a course. Courses taught through the Internet, mail, or correspondence classes shall not be considered to be courses taught in a classroom*"; and

On page 3, line 11, after "or" by inserting "*any*"; and

On page 3, line 11, after "subsidiary" by inserting "*or any affiliate, or any mortgage loan broker, loan officer, originator, or loan processor employed by any such subsidiary or affiliate,*"; and

On page 4, by deleting all underlined material on lines 15 and 16 and by inserting in lieu thereof "*and those employees of mortgage loan companies, who are regulated by the Department of Housing and Urban Development, who participate in the origination of a mortgage loan by establishing rates, terms, and conditions of such loans, shall be subject to Sections 4 and 5* *of this Act*"; and

On page 5, line 2, after "(2)" by inserting "*(a),*" and after "(c)" by inserting "*,*"; and

On page 7, line 9, by deleting "***loan brokerage business***" and inserting in lieu thereof "***mortgage loan process***"; and

On page 7, after line 18, by inserting:

"*(3) All mortgage loan brokers and loan officers subject to the registration requirements of this section shall also be subject to KRS 294.090(1), (3), (6), (7), (8), (10), (11), and (12), 294.220(1) and (2), and 294.990.*"; and

On page 8, line 10, by deleting "*(a)*" and by inserting "*classroom*" after "*Only*"; and

On page 8, by deleting lines 12 to 16 in their entirety; and

On page 9, by deleting lines 8 to 13 in their entirety; and

On page 11, after line 1, by adding:

"SECTION 7. A NEW SECTION OF KRS CHAPTER 294 IS CREATED TO READ AS FOLLOWS:

The commissioner may deny, suspend, or revoke the registration of a loan officer if the loan officer:

(1) Does not meet or has failed to comply with the provisions of Sections 4 and 5 of this Act;

(2) Has been found guilty of fraud in connection with any transaction governed by this chapter, or is the subject of an administrative cease and desist order or similar order, or a permanent or temporary injunction of any court of competent jurisdiction entered under any other federal or state act applicable to the registrant. The commissioner may not institute a proceeding under this subsection more than one (1) year from the date of the order or injunction relied on, and he may not enter an order under this subsection on the basis of an injunction entered under any other state act unless that order or injunction was based on facts which would currently constitute a ground for an order under this section;

(3) Has made any misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of acting as a loan officer, or has engaged in a course of business which has worked or tended to work a fraud upon any person or would so operate; or

(4) Has knowingly made or caused to be made to the commissioner any false representation of material fact or has suppressed or withheld from the commissioner any information which the loan officer possesses, and which if submitted by the loan officer would have rendered the loan officer ineligible to be registered under this chapter.".

HB 298, AN ACT relating to student credit cards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 287.385 is amended to read as follows:

(1) For the purpose of borrowing money from a state or national bank for their own higher educational purposes, the disabilities of nonage of minors are removed for all purposes, whether male or female. Any minor is authorized to make and execute any and all promissory notes, contracts, or other instruments necessary to be executed by him in order to borrow money for his own higher educational purposes, and such promissory notes, contracts, or other instruments shall have the same force and effect as though they were the obligations of persons over the age of their majority. Any promissory note, contract, or other instrument entered into by any such person pursuant to the provisions of this section shall have the approval of the parent or guardian of such minor and of the financial officer of the institution of higher learning.

(2) (a) For the purposes of this section, "student credit card" means any credit card that is provided to a student at a public or private college or university based solely on the student's enrollment in the university, or that is provided to a student who would not otherwise qualify for that credit card on the basis of his or her income.

(b) A "student credit card" does not include a credit card issued to a student who has a co-cardholder or co-signer who would otherwise qualify for a credit card other than a student credit card.

(3) The Council on Postsecondary Education and the governing body of each accredited private or independent college or university in the state are directed to adopt policies to regulate the marketing practices used on campuses by credit card companies. In adopting policies, it is the intent of the General Assembly that those entities consider including all of the following requirements:

(a) That sites at which student credit cards are marketed be registered with the campus administration and that consideration be given to limiting the number of sites allowed on a campus;

(b) That marketers of student credit cards be prohibited from offering gifts to students for filling out credit card applications; and

(c) That credit card and debt education and counseling sessions become a regular part of campus orientation of new students. For purposes of this subsection, colleges and universities shall utilize existing debt education materials prepared by nonprofit entities and thus not incur the expense of preparing new materials.

The Committee Amendment No. 1 to **HB 298** is as follows:

On page 1, line 23, by deleting "***adopt policies to regulate***" and inserting "***develop guidelines for regulating***".

HB 409, AN ACT relating to health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.225 is amended to read as follows:

(1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and

(b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.

(2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

(b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.

(c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.

(d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.

(e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorially required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.

(f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

(g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.

(3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.

(4) *(a)* The premiums may be paid by the policyholder:

1.[~~(a)~~] Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;

2.[~~(b)~~] Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or

3.[~~(c)~~] Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.

(b) The state shall provide to each member of the state group the choice of fully paid single or fully paid dependent coverage plan options. The state shall pay for each member of the state group, who elects to be covered under a plan available to the member in the county where he or she lives or works, an amount equal to one hundred percent (100%) of the lowest premium charged for the option with the highest benefit level for the level of coverage selected by the member.

(5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.

(6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.

(7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.

(8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health

care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.

(9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.

(10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.

(11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.

(12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.

(13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.

(14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

HCR 38, A CONCURRENT RESOLUTION authorizing the Kentucky AVIS Insurance Task Force.

WHEREAS, the Transportation Cabinet has recently begun collecting timely information on proof of insurance for use in the Automated Vehicle Information System (AVIS) on-line vehicle registration and renewal program; and

WHEREAS, the availability of timely insurance information on all Kentucky vehicles in AVIS would be both a great benefit to law enforcement officers who are charged with enforcing motor vehicle insurance laws and a great convenience to motorists who are burdened by the current system of proof-of-insurance cards;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Kentucky AVIS Insurance Task Force is created to study the feasibility of employing timely insurance data in AVIS to replace the current system of proof of motor vehicle insurance.

Section 2. The task force shall consist of eleven (11) members as follows:

(1) Two (2) members of the Kentucky Senate, appointed by the President of the Senate;

(2) Two (2) Members of the Kentucky House of Representatives, appointed by the Speaker of the House;

(3) The Commissioner of the Department of Vehicle Regulation within the Transportation Cabinet;

(4) The Commissioner of the Department of Insurance;

(5) The Chief Information Officer of the Governor's Office for Technology;

(6) Two (2) county clerks, appointed by the Legislative Research Commission from a list of five (5) nominees submitted by the County Clerks' Association; and

(7) Two (2) representatives of the insurance industry, appointed by the Legislative Research Commission.

Section 3. A majority of members shall serve as a quorum. The President of the Senate shall appoint one (1) of the Senate members to serve as co-chairperson of the task force and the Speaker of the House shall appoint one (1) of the House members to serve as co-chairperson of the task force. The task force shall be staffed by Legislative Research Commission staff.

Section 4. The task force shall report its findings and legislative recommendations to the Legislative Research Commission no later than November 30, 2002.

Section 5. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Calendar

HB 152, HB 258, HB 320, HB 405, HB 408, and **HB 422** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 14, HB 163, HB 358, HB 26, HB 175, HB 283, HB 339, HB 258, HB 320,** and **HB 422** have been posted for passage in the Orders of the Day for January 31, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

State Government: **HB 299**

Appropriations and Revenue: **HB 405**

Natural Resources: **HB 408**

Orders of the Day

HB 67, with Committee Substitute, Committee Amendment, and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Colter moved the adoption of the Committee Substitute to **HB 67**. Agreed.

Representative Colter moved that **HB 67**, by way of Committee Substitute, be passed.

Representative Damron moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 67**. Agreed.

Representative Treesh moved the adoption of Floor Amendment No. 3 to the Committee Substitute to **HB 67**.

Representative Marzian inquired whether Floor Amendment No. 3 to the Committee Substitute to **HB 67** was germane.

The Chair ruled that Floor Amendment No. 3 to the Committee Substitute to **HB 67** was germane.

Representative Treesh moved the adoption of Floor Amendment No. 3 to the Committee Substitute to **HB 67**. Agreed.

Representative Colter moved that **HB 67**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 96, Nays 1**. (See January 30, 2002, roll call on **HB 67** - Appendix.)

HB 67, by way of Committee Substitute as amended, was passed.

Representative Colter moved the adoption of Floor Title Amendment No. 2 to **HB 67**. Agreed.

Representative Colter moved that the vote by which **HB 67**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 12, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Lee moved the adoption of Floor Amendment No. 6 to **HB 12**. Agreed.

Representative J. Lee moved that **HB 12**, as amended, be passed.

On the roll call the vote was: **Yeas 80, Nays 15**. (See January 30, 2002, roll call on **HB 12** - Appendix.)

HB 12, as amended, was passed and the title agreed to.

Representative Palumbo asked that the Journal note that she abstained from voting pursuant to Section 57 of the Kentucky Constitution.

Representative J. Lee moved that the vote by which **HB 12**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative Stumbo moved to recess until 4:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Recess

Representative Stumbo moved to recess for 15 minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved to waive the posting requirement on the following: **HB 106, HB 195, HB 316, HB 341, HB 453, HJR 77, HJR 79, HJR 81,** and **HJR 85**. Agreed.

Representative Stumbo moved to waive the posting requirement retroactively on **HB 321**. Agreed

Representative Stumbo moved to reassign **HB 521** to the Committee on Local Government. Agreed.

Representative Stumbo moved that the rules be suspended for Introductions of Bills and Resolutions and a Report of Committees. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 544, by Representative Marzian: AN ACT relating to nursing practice.

HB 545, by Representatives Jenkins, Geveden, Meeks, Marzian, Horlander, and Miller: AN ACT relating to workplace violence.

HB 546, by Representative Crimm: AN ACT relating to dentistry.

HB 547, by Representative Kerr: AN ACT relating to charter buses.

HB 548, by Representatives Denham, Riggs, and Meeks: AN ACT relating to local governments.

HB 549, by Representatives Denham and Wilkey: AN ACT relating to local industrial development authorities.

HCR 96, by Representative Burch: A CONCURRENT RESOLUTION encouraging the Governor and the Cabinet for Health Services to respond to and fund the needs of Kentuckians living with HIV and AIDS.

HR 97, by Representatives Meeks, Denham, Simpson, Siler, Jenkins, Pullin, Mobley, and Marzian: A RESOLUTION commending the organizations in the Commonwealth of Kentucky that were invited by the State of New York and the Washington, D.C. area to assist in rescue and recovery efforts in New York City and at the Pentagon.

HR 98, by Representative Coleman: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Anna Lee Taylor.

HR 99, by Representative Smith: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Mildred C. Campbell.

HR 100, by Representative Smith: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Andrea Sumner.

Motions, Petitions, and Communications (Continued)

Representative Smith moved the adoption of the following **HR 99**:

HR 99, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Mildred C. Campbell.

With deepest respect and admiration, we pay homage and tribute to Mildred C. Campbell, and we pause in silent reverence for her soul.

WHEREAS, Mildred C. Campbell was born on January 31, 1932, a native of Perry County, Kentucky, and she traversed these earthly bounds on January 18, 2002; and

WHEREAS, Mildred C. Campbell was the loving daughter of the late George and Dahlia Crawford, she was the loving sister of Franklin Crawford, she was the devoted wife of Roy Campbell, she was the adored mother of a daughter, June Isom, and she was the proud grandmother of a grandson, Paul Michael Isom; and

WHEREAS, Mildred C. Campbell was a devoted member of Victory Assembly of God where her funeral service was held on January 21, 2002, with the Reverend Troy Boggs officiating, with burial in Mountain View Memorial Cemetery; and

WHEREAS, the passing of Mildred C. Campbell has left a void that cannot be filled, and she is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Mildred C. Campbell, and extends to her family and friends its most profound and deepest sympathy.

Section 2. When the House of Representatives adjourns this date, it does so in loving memory and honor of Mildred C. Campbell.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mr. Roy Campbell, P. O. Box 22, Combs, Kentucky 41729.

There being no objection **HR 99** was adopted.

Representative Smith moved the adoption of the following **HR 100**:

HR 100, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Andrea Sumner.

With deepest respect and admiration, we pay homage and tribute to Andrea Sumner, and we pause in silent reverence for her soul.

WHEREAS, Andrea Sumner was born on December 29, 1979, a native of Perry County, Kentucky, and she traversed these earthly bounds on January 27, 2002; and

WHEREAS, Andrea Sumner was the loving daughter of Andrew and Pamela Sumner, and she was the adored granddaughter of Lily Lewis of Viper, and Lawerance Sumner of Vicco; she was the adored sister of Vena Gray of Viper and Bobbie Gail Shepherd of Hazard, and she was the proud aunt of two nieces, Kagan Gray and Kensey Combs, and she was the proud aunt of a nephew, Baby Andrew; and

WHEREAS, Andrea Sumner was a young lady who was much loved in the Perry County community where she was involved in PRIDE and the March of Dimes, and where her funeral service was held on January 29, 2002, by the Reverend Ray Thompson, with interment in the Lewis Cemetery in Viper, Kentucky; and

WHEREAS, a life should be measured by deeds, not years, and Andrea Sumner was a young lady who brought happiness to all the lives she touched, and she is worthy of the highest commendation; her sudden and tragic passing has left a void that cannot be filled, and she is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Andrea Sumner, and extends to her family and many friends its most profound and deepest sympathy.

Section 2. When the House of Representatives adjourns this day, it does so in loving memory and honor of Andrea Sumner.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mr. and Mrs. Andrew Sumner, 67 Kagan Lane, Viper, Kentucky 41774.

There being no objection **HR 100** was adopted.

Report of Committees (Continued)

The Committee on Judiciary reported **HB 133** with Committee Substitute attached thereto, **HB 144** with Committee Substitute attached thereto, **HB 146** with Committee Substitute attached thereto, **HB 156, HB 157, HB 171** with Committee Substitute attached thereto, **HB 183** with Committee Substitute attached thereto, **HB 201** with Committee Substitute and Committee Amendment attached thereto, **HB 338** and **HB 365** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 133, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, unless the context requires otherwise:

(a) "Photographs" or "films" means the making of any photograph, motion picture film, videotape, or any other recording or transmission of the image of a person;

(b) "Place where a reasonable person has an expectation of privacy" means any place where a reasonable person believes that he or she will not be viewed, photographed, or filmed by another without the reasonable person's consent; and

(c) "Views" means the looking upon of another person with the unaided eye or with any device designed or intended to improve visual acuity.

(2) Except as provided in subsection (3) of this section, a person commits the crime of invasion of privacy if he or she knowingly views, photographs, or films another person in a place where a reasonable person has an expectation of privacy.

(3) The provisions of subsection (2) of this section shall not apply to:

(a) Viewing, photographing, or filming by a law enforcement officer during a lawful criminal investigation; or

(b) Viewing, photographing, or filming of a person in the custody of the Department of Corrections, the Department of Juvenile Justice, a private prison, a local jail, or a local correctional facility when the person viewing, photographing, or filming is authorized to do so for:

1. Security purposes; or

2. Investigation of alleged misconduct.

(4) Invasion of privacy is a Class A misdemeanor.

The Committee Substitute to **HB 133** is as follows:

HB 133, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of voyeurism when:

(a) He or she intentionally:

1. Uses or causes the use of any camera, videotape, photooptical, photoelectric, or other image recording device for the purpose of observing, viewing, photographing, filming, or videotaping the sexual conduct, genitals, or nipple of the female breast of another person without that person's consent; or

2. Uses the unaided eye or any device designed to improve visual acuity for the purpose of observing or viewing the sexual conduct, genitals, or nipple of the female breast of another person without that person's consent; or

3. Enters or remains unlawfully in or upon the premises of another for the purpose of observing or viewing the sexual conduct, genitals, or nipple of the female breast of another person without the person's consent; and

(b) The other person is in a place where a reasonable person would believe that his or her sexual conduct, genitals, or nipple of the female breast will not be observed, viewed, photographed, filmed, or videotaped without his or her knowledge.

(2) The provisions of subsection (1) of this section shall not apply to:

(a) A law enforcement officer during a lawful criminal investigation; or

(b) An employee of the Department of Corrections, the Department of Juvenile Justice, a private prison, a local jail, or a local correctional facility whose actions have been authorized for security or investigative purposes.

(3) Unless objected to by the victim or victims of voyeurism, the court on its own motion or on motion of the Commonwealth's attorney shall:

(a) Order the sealing of all photographs, film, videotapes, or other images that are introduced into evidence during a prosecution under this section or are in the possession of law enforcement, the prosecution, or the court as the result of a prosecution under this section; and

(b) At the conclusion of a prosecution under this section, unless required for additional prosecutions, order the destruction of all of the photographs, film, videotapes, or other images that are in possession of law enforcement, the prosecution, or the court.

(4) Voyeurism is a Class B misdemeanor.

HB 144, AN ACT relating to juvenile justice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15A.065 is amended to read as follows:

(1) The Department of Juvenile Justice shall be headed by a commissioner and shall develop and administer programs for:

(a) Prevention of juvenile crime;

(b) Identification of juveniles at risk of becoming status or public offenders and ***development of*** early intervention strategies for these children, and, except for adjudicated youth, participation in prevention programs shall be voluntary;

(c) Providing ***educational information***[~~informational services~~] to law enforcement, prosecution, victims, defense attorneys, ***the courts, the educational community,*** and the public ***concerning***[~~relating to~~] juvenile crime, its prevention, detection, trial, punishment, and rehabilitation[~~, and services for youth adjudicated delinquent or found guilty of public offenses or as youthful offenders~~];

(d) The operation of or contracting for the operation of postadjudication treatment facilities ***and services*** for children adjudicated delinquent or found guilty of public offenses or as youthful offenders;

(e) The operation or contracting for the operation[~~ of by the department~~], and the encouragement of operation by others, including local governments, volunteer organizations, and the private sector, of programs to serve predelinquent and delinquent youth;

(f) Utilizing outcome-based planning and evaluation of programs to ascertain which programs are most appropriate and effective in promoting the goals of this section;

(g) Conducting research and comparative experiments to find the most effective means of:

1. Preventing delinquent behavior;
2. Identifying predelinquent youth;
3. Preventing predelinquent youth from becoming delinquent;
4. Assessing the needs of predelinquent and delinquent youth;
5. Providing an effective and efficient program designed to treat and correct the behavior of delinquent youth and youthful offenders;
6. Assessing the success of all programs of the department and those operated on behalf of the department and making recommendations for new programs, improvements in existing programs, or the modification, combination, or elimination of programs as indicated by the assessment and the research; and

[~~7. Keeping the department, the educational community, police, prosecutors, the courts, and the public abreast of the latest programs, technology, counseling tools, and other aspects of juvenile counseling, correction, and treatment; and~~]

(h) Seeking funding from public and private sources for demonstration projects, normal operation of programs, and alterations of programs.

(2) The Department of Juvenile Justice may contract, with or without reimbursement, with a city, county, or urban-county government, for the provision of probation, diversion, and related services by employees of the contracting local government.

(3) The Department of Juvenile Justice may contract[~~ with other agencies~~] for the provision of services, treatment, or facilities which the department finds in the best interest of any child, or for which a similar service, treatment, or facility is either not provided by the department or not available because the service or facilities of the department are at their operating capacity and unable to accept new commitments. ***The department shall, after consultation with the Finance and Administration Cabinet, promulgate administrative regulations to govern at least the following aspects of this subsection:***

(a) Bidding process; and

(b) Emergency acquisition process.

(4) ***The Department of Juvenile Justice shall develop programs to:***

(a) Ensure that youth in state-operated or contracted residential treatment programs have access to an ombudsman to whom they may report program problems or concerns;

(b) Review all treatment programs, state-operated or contracted, for their quality and effectiveness; and

(c) Provide mental health services to committed youth according to their needs.

(5) (a) The Department of Juvenile Justice shall have an advisory board appointed by the Governor, which ***shall serve as the advisory group under the Juvenile Justice and Delinquency Prevention Act of 1974, Pub.L. 93-415, as amended, and which*** shall provide a formulation of and recommendations for meeting the requirements of this section not less than annually to the Governor, the Justice Cabinet, the Department of Juvenile Justice, the Cabinet for Families and Children, the Interim Joint Committees on Judiciary and on Appropriations and Revenue of the Legislative Research Commission when the General Assembly is not in session, and the Judiciary and the Appropriations and Revenue Committees of the House of Representatives and the Senate when the General Assembly is in session. The advisory board shall develop program criteria for early juvenile intervention, diversion, and prevention projects, develop statewide priorities for funding, and make recommendations for allocation of funds to the Commissioner of the Department of Juvenile Justice. The advisory board shall review grant applications from local juvenile delinquency prevention councils and include in its annual report the activities of the councils. The advisory board shall meet not less than quarterly.

(b) The advisory board shall be chaired by a private citizen member appointed by the Governor ***and shall serve a term of two (2) years and thereafter be elected by the board***. The ***members of the board shall be appointed to staggered terms and thereafter to four (4) year terms. The membership of the*** advisory board shall consist of ***no fewer than fifteen (15) persons and no more than thirty-three (33) persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice. A majority of the members shall not be full-time employees of any federal, state, or local government, and at least one-fifth (1/5) of the members shall be under the age of twenty-four (24) years at the time of appointment. On July 15, 2002, any pre-existing appointment of a member to the Juvenile Justice Advisory Board and the Juvenile Justice Advisory Committee shall be terminated unless that member has been re-appointed subsequent to January 1, 2002, in which case that member's appointment shall continue without interruption. The membership of the board shall include***[~~one (1) member of each of~~] the following:

1.[~~(a)~~] ***Three (3) current or former participants in the juvenile justice system***[~~Justice Cabinet~~];

2.[~~(b)~~] ***An employee of the*** Department of Juvenile Justice;

3.[~~(c)~~] ***An employee of the*** Cabinet for Families and Children;

4.[~~(d)~~] ***A person operating alternative detention programs***[~~Department for Medicaid Services~~];

5.[~~(e)~~] ***An employee of the*** Department of Education;

6.[~~(f)~~] ***An employee of the*** Department of Public Advocacy;

7.[~~(g)~~] ***An employee of the*** Administrative Office of the Courts;

[~~(h) Cabinet for Workforce Development;~~]

8.[~~(i)~~] ***A representative from a private nonprofit organization with an interest in youth services***[~~Attorney General~~];

9.[~~(j)~~] ***A representative from a local juvenile delinquency prevention council***[~~Kentucky Developmental Disabilities Council~~];

10.[~~(k)~~] ***A member of the*** Circuit Judges Association;

11.[~~(l)~~] ***A member of the*** District Judges Association;

[~~(m) Commonwealth's Attorneys Association;~~]

12.[~~(n)~~] ***A member of the*** County Attorneys Association;

13.[~~(o)~~] ***A member of the*** County Judge/Executives Association;

[~~(p) A person eighteen (18) to twenty five (25) years of age not associated with any other group listed in this paragraph;~~]

14.[~~(q)~~] A person from the business community not associated with any other group listed in this paragraph;

15.[~~(r)~~] A parent not associated with any other group listed in this paragraph;

16.[~~(s)~~] A youth advocate not associated with any other group listed in this paragraph;

17.[~~(t)~~] A victim of a crime committed by a person under the age of eighteen (18) not associated with any other group listed in this paragraph;

18.[~~(u)~~] A local school district special education administrator not associated with any other group listed in this paragraph;

19.[~~(v)~~] A peace officer not associated with any other group listed in this paragraph; and

20.[~~(w)~~] A college or university professor specializing in law, criminology, corrections, ***psychology,*** or similar discipline with an interest in juvenile corrections programs.

(c) Failure of any member to attend three (3) meetings within a calendar year shall be deemed a resignation from the board. The board chair shall notify the Governor of any vacancy and submit recommendations for appointment.

(6) The Department of Juvenile Justice shall, after consultation with the Department of Public Advocacy, develop a program of legal services for juveniles committed to the department who are placed in residential treatment facilities and juveniles in the physical custody of the department who are detained in a state-operated detention facility, who have legal claims related to their confinement involving violations of federal or state statutory or constitutional rights. This system may utilize technology as well as personal contact. The Department of Juvenile Justice shall promulgate an administrative regulation to govern at least the following aspects of this subsection:

(a) Facility access;

(b) Scheduling; and

(c) Access to residents' records.

SECTION 2. A NEW SECTION OF KRS CHAPTER 15A IS CREATED TO READ AS FOLLOWS:

No employee of the Department of Juvenile Justice shall be required to give personal attendance as a witness in any civil suit arising out of or related to his or her employment, out of the county of that employee's assigned work station, but his or her deposition shall be taken in lieu thereof.

Section 3. KRS 605.090 is amended to read as follows:

(1) Unless precluded by law, any child committed to the Department of Juvenile Justice or the cabinet may by the decision of the Department of Juvenile Justice or the cabinet or its designee, at any time during the period of his commitment, be:

(a) Upon fourteen (14) days' prior written notice to the court, discharged from commitment. Written notice of discharge shall be given to the committing court and to any other parties as may be required by law;

(b) Placed in the home of the child's parents, in the home of a relative, a suitable foster home, or boarding home, upon such conditions as the Department of Juvenile Justice or the cabinet may prescribe and subject to visitation and supervision by a social service worker or juvenile probation and parole officer. At the time a committed child is placed in the home of his parents by the Department of Juvenile Justice or the cabinet, the parents shall be informed in writing of the conditions of the placement and the criteria that will be used to determine whether removal is necessary;

(c) Placed in one (1) of the facilities or programs operated by the Department of Juvenile Justice or the cabinet, except that no child committed under the provisions of KRS 610.010(1)(b), (c), or (d) shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as a public offender unless the cabinet and the department agree, and the court consents, that the placement is in the best interest of the child and that the placement does not exceed a group home level;

(d) Placed in a child-caring facility operated by a local governmental unit or by a private organization willing to receive the child, upon such conditions as the cabinet may prescribe;

(e) Treated as provided in KRS Chapter 645;

(f) Following the transfer or placement of a child pursuant to paragraphs (b), (c), (d), or (e) of this subsection, the Department of Juvenile Justice or the cabinet shall, within fourteen (14) days, excluding weekends and holidays, give written notice to the court of the transfer, the placement, and the reasons therefor.

(2) No child ten (10) years of age or under shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as public offenders***, except that a child charged with the commission of a capital offense or with an offense designated as a Class A or Class B felony may be detained in a state-operated detention facility***;

(3) If a child committed to the cabinet as dependent, neglected, or abused is placed in the home of the child's parents, the child shall not be removed except in accordance with the following standards and procedures:

(a) If the social service worker believes that the committed child continues to be dependent, neglected, or abused, but immediate removal is unnecessary to protect the child from imminent death or serious physical injury, the casework situation and evidence shall be reviewed with his supervisor to determine whether to continue work with the family intact or to remove the child. There shall be documentation that the social service worker, prior to the court hearing, made an effort to contact the parents to inform them of the specific problems that could lead to removal so they have an opportunity to take corrective action. If the parents are unavailable or do not respond to attempts to communicate, the specific circumstances shall be documented;

(b) If it appears that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm and there is not reasonably available an alternative less drastic than removal of the child from the home, the cabinet shall petition the District Court to review the commitment pursuant to KRS 610.120 in relation to the cabinet's intention to remove the child from the parent's home. The petition shall set forth the facts which constitute the need for removal of the child. The court shall serve notice of the petition and the time and place of the hearing on the parents; however, the social service worker shall also contact the parents to ensure that they received the notice and are aware of the right to be represented by counsel. If the parents' whereabouts are unknown, notice may be mailed to the last known address of an adult who is a near relative. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall not be removed from the parents' home;

(c) If a social service worker finds a committed, unattended child who is too young to take care of himself, the social service worker shall make reasonable efforts to arrange for an emergency caretaker in the child's home until the parents return or fail to return within a reasonable time. If no in-home caretaker is available for the child, the social service worker shall request any appropriate law enforcement officer to take the child into protective custody. If, after a reasonable time, it appears the child has been abandoned, the cabinet shall petition the District Court to review the case; or

(d) If there exist reasonable grounds to believe that the child is in danger of imminent death or serious physical injury or is being sexually abused and that the parents are unable or unwilling to protect the child, the social service worker shall, with the assistance of a law enforcement officer, immediately remove the child prior to filing a petition for review. Within seventy-two (72) hours after the removal, the cabinet shall file a petition for review in District Court pursuant to KRS 610.120 with a request for an expeditious hearing. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall be returned to the parents' home.

(4) The cabinet or the Department of Juvenile Justice, as appropriate, shall notify the juvenile court of the county of placement with the conditions of supervised placement of each child placed in that county from one (1) of the residential treatment facilities operated by the Department of Juvenile Justice or the cabinet. Notice of the conditions of such placement may be made available by the court to any law enforcement agency.

(5) The person in charge of any home to which a child is probated, and the governing authority of any private facility or agency to which a child is committed, shall make such reports to the court as the court may require, and such reports as the Department of Juvenile Justice or the cabinet may require in the performance of its functions under the law. The Department of Juvenile Justice or the cabinet shall have the power to make such visitations and inspections of the homes, facilities, and agencies in which children who have committed public offenses have been placed as it deems necessary to carry out its functions under the law.

(6) The Department of Juvenile Justice or the cabinet shall provide a written transfer summary to the person in charge of any foster home or any governing authority of any private facility or agency in which the Department of Juvenile Justice or the cabinet has placed a child. The written summary shall include, at a minimum, demographic information about the child, a narrative statement detailing the child's prior placements, the length of time the child has been committed, a description of the services and assistance provided to the child or the child's family since the most current case plan, a copy of the current case plan for the child and the child's family, and a copy of the child's medical and educational passport, if available, provided that no information shall be provided that violates any statutory confidentiality requirements. The transfer summary shall be provided by the Department of Juvenile Justice if it is responsible for the child, or the cabinet if it is responsible for the child, within seven (7) days of the placement of the child with the person, agency, or facility providing care to the child.

(7) The Department of Juvenile Justice may assist the courts in placing children who have committed public offenses in boarding homes, and, under agreements with the individual courts, may assume responsibility for making such placements. Counties may pay or contribute towards the expenses of maintaining such children and, to the extent authorized by the fiscal court, the Department of Juvenile Justice may incur obligations chargeable to the county for such expenses.

Section 4. KRS 610.200 is amended to read as follows:

(1) When a peace officer has taken or received a child into custody on a charge of committing an offense, the officer shall immediately inform the child of his constitutional rights and afford him the protections required thereunder, notify the parent, or if the child is committed, the Department of Juvenile Justice or the cabinet, as appropriate, and if the parent is not available, then a relative, guardian, person exercising custodial control or supervision of the child, that the child has been taken into custody, give an account of specific charges against the child, including the specific statute alleged to have been violated, and the reasons for taking the child into custody.

(2) Unless the child is subject to trial as an adult or unless the nature of the offense or other circumstances are such as to indicate the necessity of retaining the child in custody, the officer shall release the child to the custody of his parent or if the child is committed, the Department of Juvenile Justice or the cabinet, as appropriate; or if the parent is not available, then a relative, guardian, person exercising custodial control or supervision or other responsible person or agency approved by the court upon the written promise, signed by such person or agency, to bring the child to the court at a stated time or at such time as the court may order. The written promise, accompanied by a written report by the officer, shall be submitted forthwith to the court or court-designated worker and shall detail the reasons for having taken custody of the child, the release of the child, the person to whom the child was released, and the reasons for the release.

(3) If the person fails to produce the child as agreed or upon notice from the court, a summons, warrant, or custody order may be issued for the apprehension of the person or of the child, or both.

(4) The release of a child pursuant to this section shall not preclude a peace officer from proceeding with a complaint against a child or any other person.

(5) Unless the child is subject to trial as an adult, if the child is not released, the peace officer shall contact the court-designated worker who may:

- (a) Release the child to his parents;
- (b) Release the child to such other persons or organizations as are authorized by law;
- (c) Release the child to either of the above subject to stated conditions; or
- (d) ***Except as provided in subsection (6) of this section,*** authorize the peace officer to retain custody of the child for an additional period not to exceed twelve (12) hours during which the peace officer may transport the child to a secure juvenile detention facility***, a***[~~or~~] juvenile holding facility***, or a nonsecure facility***. If the child is retained in custody, the court-designated worker shall give notice to the child's parents or person exercising custodial control or supervision of the fact that the child is being retained in custody.

(6) (a) Except as provided in paragraph (b) of this subsection, no child ten (10) years of age or under shall be taken to or placed in a juvenile detention facility.

- ***(b) Any child ten (10) years of age or under who has been charged with the commission of a capital offense or with an offense designated as a Class A or Class B felony may be taken to or placed in a secure juvenile detention facility or youth alternative center.***

SECTION 5. A NEW SECTION OF KRS CHAPTER 610 IS CREATED TO READ AS FOLLOWS:

(1) Any statute to the contrary notwithstanding, detention costs shall not be assessed by a court against a parent unless the court has conducted a hearing and has determined:

- ***(a) That the child has previously been adjudicated as a habitual truant under KRS Chapter 630, a public offender under KRS Chapter 635, or a youthful offender under KRS Chapter 640, and now stands adjudicated guilty of a subsequent habitual truancy or public offense, or is now being considered for transfer to the Circuit Court for trial as a youthful offender; and***
- ***(b) That the failure or neglect of the parent to properly supervise or control the child is a substantial contributing factor of the act or acts of the child upon which the proceeding is based; and***
- ***(c) That the parent has the financial ability to pay any fees ordered.***

(2) Any orders for payment shall direct that payments be made to the fiscal court if detention is based upon adjudication related to a status offense and to the Department of Juvenile Justice if the adjudication is based upon a public offense or transfer as a youthful offender.

(3) The fiscal court or the Department of Juvenile Justice, as appropriate, shall establish a payment schedule for parents against whom detention costs have been assessed, and may discharge any remaining portion of the debt upon proof of substantial change in circumstances of the parent.

(4) The authority granted under subsection (3) of this section may be applied to all pre-existing court orders assessing detention costs in effect on the effective date of this legislation.

Section 6. KRS 635.100 is amended to read as follows:

(1) Any child committed to ***or in the custody of*** the Department of Juvenile Justice [~~who is placed in a treatment facility or program and~~]who escapes or is absent without leave ***from his or her placement*** shall be taken into custody and returned to the custody of the Department of Juvenile Justice by any juvenile probation officer or by any peace officer on direction of the Department of Juvenile Justice.

(2) Any child committed to the Department of Juvenile Justice who is placed on supervised placement by the Department of Juvenile Justice and who violates the terms or conditions of supervised placement may be returned to active custody of the Department of Juvenile Justice and may be taken into custody by any juvenile probation officer or by any peace officer on direction of the Department of Juvenile Justice.

(3) A child taken into custody may be held in a Department of Juvenile Justice facility, program, or contract facility, prior to the administrative hearing, provided a preliminary hearing is held by a person designated by the Department of Juvenile Justice within five (5) days, exclusive of weekends and holidays, of the holding, unless the child or his representative request or agree to a longer period of time, to determine if there is probable cause to believe that the child violated his supervised placement conditions and, if so, to determine if the best interest of the child requires that the child be held in custody pending an administrative hearing pursuant to subsection ***(5)***[~~(4)~~] of this section. The child and his parent or other person exercising custodial control or supervision shall be given an opportunity to be heard and to be represented by counsel at the preliminary hearing.

(4) ***A child taken into custody as provided in subsection (1) of this section shall be returned to the active custody of the Department of Juvenile Justice within three (3) days, exclusive of weekends and holidays, and no administrative***

hearing shall be required.

(5) If the child is returned to the active custody of the Department of Juvenile Justice as provided in subsection (3) of this section an administrative hearing shall be held within ten (10) days, exclusive of weekends and holidays, of the preliminary hearing unless the child and his representative request or agree to a longer period of time. The hearing shall be held by one (1) hearing officer designated by the Department of Juvenile Justice to hear such matters at which time the child and his parent or other person exercising custodial control or supervision shall be given an opportunity to be heard and be represented by counsel.

(6)[~~(5)~~] The department shall have the power to administer oaths and to issue subpoenas compelling the attendance of witnesses as it may deem necessary to the case of any child before it. Disobedience of a subpoena may be punished as contempt of court, after a hearing before the committing juvenile court.

(7)[~~(6)~~] Administrative hearings conducted under this section and administrative regulations promulgated under this section shall be exempt from the requirements of KRS Chapter 13B.

(8)[~~(7)~~] The Department of Juvenile Justice shall promulgate administrative regulations to govern at least the following aspects of this section:

(a) Commissioner's warrant;
(b) Procedural aspects of the hearing;
(c) Burden of proof;
(d) Standard of proof; and
(e) Administrative appeal process.

SECTION 7. A NEW SECTION OF KRS 635.500 TO 635.545 IS CREATED TO READ AS FOLLOWS:

Any other statute to the contrary notwithstanding, communications made in the application for or in the course of a sexual offender's diagnosis and treatment in the program, between a sexual offender or member of the sexual offender's family and any employee of the department who is assigned to work in the program, or any approved provider, shall be privileged from disclosure unless the sexual offender consents in writing to the disclosure or the communication is related to an ongoing criminal investigation. The privilege created by this section shall not extend to disclosures made for the purpose of determining whether the sexual offender should continue to participate in the program, to any communication regarding conduct in which the sexual offender was not a participant, or to any disclosure involving a homicide. The sexual offender shall be informed in writing of the limits of the privilege created by this section.

Section 8. KRS 635.505 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) The "treatment program" means a continuum of services provided in community and institutional settings designed to provide early intervention and treatment services for juvenile sexual offenders.

(2) A "juvenile sexual offender" as used in this chapter means an individual who was at the time of the commission of the offense under the age of eighteen (18) years who is not actively psychotic or mentally retarded and who has been adjudicated guilty of or has been convicted of or pled guilty to:

(a) A felony under KRS Chapter 510;
(b) Any other felony committed in conjunction with a misdemeanor described in KRS Chapter 510;
(c) Any felony under KRS 506.010 when the crime attempted is a felony or misdemeanor described in KRS Chapter 510;
(d) An offense under KRS 530.020;
(e) An offense under KRS 530.064;
(f) An offense under KRS 531.310; or
(g) A misdemeanor offense under KRS Chapter 510.

(3) A "juvenile sexual offender assessment" means an assessment of the child's adolescent social development, medical history, educational history, legal history, family history, substance abuse history, sexual history, treatment history, and recent behaviors, which shall be prepared in order to assist the courts in determining whether the child should be declared a juvenile sexual offender, and to provide information regarding the risk for reoffending and recommendations for treatment.

(4) "Mentally retarded" as used in this section means a juvenile with a full scale intelligent quotient of seventy (70) or below.

Section 9. KRS 635.510 is amended to read as follows:

(1) A child, thirteen (13) years of age or older, shall be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2)(a), (b), (c), (d), (e), or (f).

(2) (a) A child, less than thirteen (13) years of age, may be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2).

(b) Any child, thirteen (13) years of age or older, may be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2)(g).

(3) Upon final adjudication by the juvenile court ***under subsection (2) of this section***, the juvenile court judge[~~ or other authority designated by the juvenile court judge~~] shall order a ***juvenile sexual offender***[~~mental health~~] assessment to be conducted on the child by the program or by a qualified[~~ mental health~~] professional[~~ as defined in KRS 600.020 and~~] approved by the program which shall recommend the appropriate course of treatment. Upon receipt of the findings of the assessment, the juvenile court judge[~~ or other authority designated by the juvenile court judge~~] shall ***determine whether the child shall be declared a juvenile sexual offender, and, if so, shall*** initiate a referral to the program for[~~ evaluation and~~] treatment[~~ as indicated~~].

Section 10. KRS 635.515 is amended to read as follows:

(1) A child declared a juvenile sexual offender shall be committed to the custody of the Department of Juvenile Justice and shall receive ***sexual offender*** treatment[~~ in a juvenile sexual offender treatment program~~] for[~~ a minimum of two (2) years but~~] not more than three (3) years, except that the juvenile sexual offender shall not remain in the care of the Department of Juvenile Justice after the age of twenty-one (21) years. If an individual in the care of the department as a juvenile sexual offender reaches the age of nineteen (19) years prior to the ***completion of the sexual offender treatment program or the*** expiration of ***three (3)***[~~the minimum of two (2)~~] years of treatment, that individual shall be returned to the sentencing court. At that time, the sentencing court may order the individual to complete the prescribed treatment ***subject to the contempt powers of the court***.

(2) Based on the assessment and evaluation of the juvenile sexual offender and his family, the Department of Juvenile Justice shall utilize the treatment setting which provides the least restrictive alternative as defined in KRS 600.020.

(3) The program shall develop a written treatment agreement ***upon the child's placement in a community setting***, detailing the responsibilities of the juvenile sexual offender, his family, and the program to include but not be limited to: attendance; participation in education; participation in planning and completion of treatment goals; curfew; visit of appropriate staff to the home; participation in parenting groups and family counseling; continued contact with the program, schools, and courts; insurance of legal rights; and discharge criteria.

(4) The written treatment agreement shall be presented to the court, and the court shall include the agreement as part of the order except for good cause shown.

(5) The program shall be responsible for sending written reports every sixty (60) days to the juvenile court judge concerning the participation of the juvenile sexual offender and family in the treatment program. The written report shall include information about the treatment received by the juvenile sexual offender and family, an assessment of the ***sexual*** offender's current condition, and recommendations by the program staff.

(6) The case may be called for review upon the recommendation of the program staff or by the juvenile court judge at any time during the course of treatment. The review may be called to consider documentation of noncompliance, absenteeism, or unwillingness to acknowledge responsibility for sexually-inappropriate behavior ***which may be remedied through the contempt powers of the court***.

(7) A ***court***[~~discharge~~] review shall be requested by the program sixty (60) days prior to the recommended ***program*** release date. The juvenile court judge shall schedule a hearing to formally consider the recommendation of release from the program.

SECTION 11. A NEW SECTION OF KRS CHAPTER 640 IS CREATED TO READ AS FOLLOWS:

(1) Any other provision of KRS Chapter 640 to the contrary notwithstanding, any youthful offender ordered transferred to the Department of Corrections under KRS 640.030(2)(c) may, at the discretion of the Department of Juvenile Justice, after consultation with the Department of Corrections, remain in the custody of the Department of Juvenile Justice and in a Department of Juvenile Justice facility or program, until expiration of sentence or until the youthful offender is released on parole, but in no event past the age of twenty-one (21).

(2) Any youthful offender whose custody has been retained by the Department of Juvenile Justice under subsection (1) of this section may be immediately transferred to the Department of Corrections, at such location within this state as the Department of Corrections directs, if the youthful offender causes any disruption to the program or attempts to escape.

(3) Any youthful offender who attains the age of twenty-one (21) while in the custody of the Department of Juvenile Justice shall be immediately transferred to the Department of Corrections at such location within this state as the Department of Corrections directs.

(4) Any youthful offender whose custody has been retained under subsection (1) of this section and who has not been released under other provision of law or delivered to the Department of Corrections under subsection (2) of this section, may, on one (1) occasion and after the completion of a minimum twelve (12) months additional service of sentence, petition the sentencing Circuit Court for reconsideration of probation and, except as provided in KRS 439.3401, may be considered for early parole eligibility.

Section 12. KRS 640.030 is amended to read as follows:

A youthful offender, ***who***[~~if he~~] is convicted of, or pleads guilty to, a felony offense in Circuit Court, shall be subject to the same type of sentencing procedures and duration of sentence, including probation and conditional discharge, as an adult convicted of a felony offense, except that:

(1) The presentence investigation required by KRS 532.050 shall be prepared by the Department of Juvenile Justice or by its designated representative;

(2) Except as provided in KRS 640.070, any sentence imposed upon the youthful offender shall be served in a[~~ youth~~] facility or program operated ***or contracted*** by the Department of Juvenile Justice until the expiration of the sentence, the youthful offender is paroled, the youthful offender is probated, or the youthful offender reaches the age of eighteen (18), whichever first occurs. ***The Department of Juvenile Justice shall take custody of a youthful offender, remanded into its custody, within sixty (60) days following sentencing.*** If an individual sentenced as a youthful offender attains the age of eighteen (18) prior to the expiration of his sentence, and has not been probated or released on parole, that individual shall be returned to the sentencing court. At that time, the sentencing court shall make one (1) of the following determinations:

(a) Whether the youthful offender shall be placed on probation or conditional discharge;

(b) Whether the youthful offender shall be returned to the Department of Juvenile Justice to complete a treatment program, which treatment program shall not exceed a period in excess of six (6) months. At the conclusion of the treatment program or at the expiration of six (6) months, whichever first occurs, the individual shall be ***returned to the sentencing court for a determination under paragraphs (a) or (c) of this subsection***[~~finally discharged~~]; or

(c) Whether the youthful offender shall be incarcerated in an institution operated by the Department of Corrections;

(3) If a ***youthful offender***[~~child~~] has attained the age of eighteen (18) prior to sentencing, ***that individual***[~~he~~] shall be returned to the sentencing court at the end of a six (6) month period if ***that individual***[~~he~~] has been sentenced to a period of placement or treatment ***with the***[~~in a~~] Department of Juvenile Justice[~~ youth facility or program~~]. The court shall have the same dispositional options as currently provided in subsection (2)***(a) and (c)*** of this section[~~, except that youthful offenders shall not remain in the care of the Department of Juvenile Justice after the age of nineteen (19)~~]; and

(4) ***KRS 197.420 to the contrary notwithstanding,*** a youthful offender who is a sexual offender as defined by KRS 197.410(1) shall be provided a sexual offender treatment program[~~ as mandated by KRS 439.340(10)~~] by the Department of Juvenile Justice pursuant to KRS 635.500 ***and as mandated by KRS 439.340(11) unless***[~~if~~] the youthful offender has[~~ not~~] been transferred to the Department of Corrections[~~ pursuant to KRS 640.070~~].

The Committee Substitute to **HB 144** is as follows:

HB 144, AN ACT relating to juvenile justice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15A.065 is amended to read as follows:

(1) The Department of Juvenile Justice shall be headed by a commissioner and shall develop and administer programs for:

(a) Prevention of juvenile crime;

(b) Identification of juveniles at risk of becoming status or public offenders and ***development of*** early intervention strategies for these children, and, except for adjudicated youth, participation in prevention programs shall be voluntary;

(c) Providing ***educational information***[~~informational services~~] to law enforcement, prosecution, victims, defense attorneys, ***the courts, the educational community,*** and the public ***concerning***[~~relating to~~] juvenile crime, its prevention, detection, trial, punishment, and rehabilitation[~~, and services for youth adjudicated delinquent or found guilty of public offenses or as youthful offenders~~];

(d) The operation of or contracting for the operation of postadjudication treatment facilities ***and services*** for children adjudicated delinquent or found guilty of public offenses or as youthful offenders;

(e) The operation or contracting for the operation[~~ of by the department~~], and the encouragement of operation by others, including local governments, volunteer organizations, and the private sector, of programs to serve predelinquent and delinquent youth;

(f) Utilizing outcome-based planning and evaluation of programs to ascertain which programs are most appropriate and effective in promoting the goals of this section;

(g) Conducting research and comparative experiments to find the most effective means of:

1. Preventing delinquent behavior;
2. Identifying predelinquent youth;
3. Preventing predelinquent youth from becoming delinquent;
4. Assessing the needs of predelinquent and delinquent youth;
5. Providing an effective and efficient program designed to treat and correct the behavior of delinquent youth and youthful offenders;
6. Assessing the success of all programs of the department and those operated on behalf of the department and

making recommendations for new programs, improvements in existing programs, or the modification, combination, or elimination of programs as indicated by the assessment and the research; and

~~[7. Keeping the department, the educational community, police, prosecutors, the courts, and the public abreast of the latest programs, technology, counseling tools, and other aspects of juvenile counseling, correction, and treatment; and]~~

(h) Seeking funding from public and private sources for demonstration projects, normal operation of programs, and alterations of programs.

(2) The Department of Juvenile Justice may contract, with or without reimbursement, with a city, county, or urban-county government, for the provision of probation, diversion, and related services by employees of the contracting local government.

(3) The Department of Juvenile Justice may contract~~[with other agencies]~~ for the provision of services, treatment, or facilities which the department finds in the best interest of any child, or for which a similar service, treatment, or facility is either not provided by the department or not available because the service or facilities of the department are at their operating capacity and unable to accept new commitments. ***The department shall, after consultation with the Finance and Administration Cabinet, promulgate administrative regulations to govern at least the following aspects of this subsection:***

(a) Bidding process; and

(b) Emergency acquisition process.

(4) ***The Department of Juvenile Justice shall develop programs to:***

(a) Ensure that youth in state-operated or contracted residential treatment programs have access to an ombudsman to whom they may report program problems or concerns;

(b) Review all treatment programs, state-operated or contracted, for their quality and effectiveness; and

(c) Provide mental health services to committed youth according to their needs.

(5) ***(a)*** The Department of Juvenile Justice shall have an advisory board appointed by the Governor, which ***shall serve as the advisory group under the Juvenile Justice and Delinquency Prevention Act of 1974, Pub.L. 93-415, as amended, and which*** shall provide a formulation of and recommendations for meeting the requirements of this section not less than annually to the Governor, the Justice Cabinet, the Department of Juvenile Justice, the Cabinet for Families and Children, the Interim Joint Committees on Judiciary and on Appropriations and Revenue of the Legislative Research Commission when the General Assembly is not in session, and the Judiciary and the Appropriations and Revenue Committees of the House of Representatives and the Senate when the General Assembly is in session. The advisory board shall develop program criteria for early juvenile intervention, diversion, and prevention projects, develop statewide priorities for funding, and make recommendations for allocation of funds to the Commissioner of the Department of Juvenile Justice. The advisory board shall review grant applications from local juvenile delinquency prevention councils and include in its annual report the activities of the councils. The advisory board shall meet not less than quarterly.

(b) The advisory board shall be chaired by a private citizen member appointed by the Governor ***and shall serve a term of two (2) years and thereafter be elected by the board***. The ***members of the board shall be appointed to staggered terms and thereafter to four (4) year terms. The membership of the*** advisory board shall consist of ***no fewer than fifteen (15) persons and no more than thirty-three (33) persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice. A majority of the members shall not be full-time employees of any federal, state, or local government, and at least one-fifth (1/5) of the members shall be under the age of twenty-four (24) years at the time of appointment. On July 15, 2002, any pre-existing appointment of a member to the Juvenile Justice Advisory Board and the Juvenile Justice Advisory Committee shall be terminated unless that member has been re-appointed subsequent to January 1, 2002, in which case that member's appointment shall continue without interruption. The membership of the board shall include***~~[one (1) member of each of]~~ the following:

1.~~[(a)]~~ ***Three (3) current or former participants in the juvenile justice system***~~[Justice Cabinet]~~;

2.~~[(b)]~~ ***An employee of the*** Department of Juvenile Justice;

3.~~[(c)]~~ ***An employee of the*** Cabinet for Families and Children;

4.~~[(d)]~~ ***A person operating alternative detention programs***~~[Department for Medicaid Services]~~;

5.~~[(e)]~~ ***An employee of the*** Department of Education;

6.~~[(f)]~~ ***An employee of the*** Department of Public Advocacy;

7.~~[(g)]~~ ***An employee of the*** Administrative Office of the Courts;

~~[(h) Cabinet for Workforce Development;]~~

8.~~[(i)]~~ ***A representative from a private nonprofit organization with an interest in youth services***~~[Attorney General]~~;

9.[~~(j)~~] *A representative from a local juvenile delinquency prevention council*[~~Kentucky Developmental Disabilities Council~~];

10.[~~(k)~~] *A member of the* Circuit Judges Association;

11.[~~(l)~~] *A member of the* District Judges Association;

[~~(m) Commonwealth's Attorneys Association;~~]

12.[~~(n)~~] *A member of the* County Attorneys Association;

13.[~~(o)~~] *A member of the* County Judge/Executives Association;

[~~(p) A person eighteen (18) to twenty five (25) years of age not associated with any other group listed in this paragraph;~~]

14.[~~(q)~~] A person from the business community not associated with any other group listed in this paragraph;

15.[~~(r)~~] A parent not associated with any other group listed in this paragraph;

16.[~~(s)~~] A youth advocate not associated with any other group listed in this paragraph;

17.[~~(t)~~] A victim of a crime committed by a person under the age of eighteen (18) not associated with any other group listed in this paragraph;

18.[~~(u)~~] A local school district special education administrator not associated with any other group listed in this paragraph;

19.[~~(v)~~] A peace officer not associated with any other group listed in this paragraph; and

20.[~~(w)~~] A college or university professor specializing in law, criminology, corrections, *psychology,* or similar discipline with an interest in juvenile corrections programs.

(c) Failure of any member to attend three (3) meetings within a calendar year shall be deemed a resignation from the board. The board chair shall notify the Governor of any vacancy and submit recommendations for appointment.

(6) The Department of Juvenile Justice shall, in cooperation with the Department of Public Advocacy, develop a program of legal services for juveniles committed to the department who are placed in state-operated residential treatment facilities and juveniles in the physical custody of the department who are detained in a state-operated detention facility, who have legal claims related to their confinement involving violations of federal or state statutory or constitutional rights. This system may utilize technology to supplement personal contact. The Department of Juvenile Justice shall promulgate an administrative regulation to govern at least the following aspects of this subsection:

(a) Facility access;

(b) Scheduling; and

(c) Access to residents' records.

SECTION 2. A NEW SECTION OF KRS CHAPTER 15A IS CREATED TO READ AS FOLLOWS:

No employee of the Department of Juvenile Justice shall be required to give personal attendance as a witness in any civil suit arising out of or related to his or her employment, out of the county of that employee's assigned work station, but his or her deposition shall be taken in lieu thereof.

Section 3. KRS 605.090 is amended to read as follows:

(1) Unless precluded by law, any child committed to the Department of Juvenile Justice or the cabinet may by the decision of the Department of Juvenile Justice or the cabinet or its designee, at any time during the period of his commitment, be:

(a) Upon fourteen (14) days' prior written notice to the court, discharged from commitment. Written notice of discharge shall be given to the committing court and to any other parties as may be required by law;

(b) Placed in the home of the child's parents, in the home of a relative, a suitable foster home, or boarding home, upon such conditions as the Department of Juvenile Justice or the cabinet may prescribe and subject to visitation and supervision by a social service worker or juvenile probation and parole officer. At the time a committed child is placed in the home of his parents by the Department of Juvenile Justice or the cabinet, the parents shall be informed in writing of the conditions of the placement and the criteria that will be used to determine whether removal is necessary;

(c) Placed in one (1) of the facilities or programs operated by the Department of Juvenile Justice or the cabinet, except that no child committed under the provisions of KRS 610.010(1)(b), (c), or (d) shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as a public offender unless the cabinet and the department agree, and the court consents, that the placement is in the best interest of the child and that the placement does not exceed a group home level;

(d) Placed in a child-caring facility operated by a local governmental unit or by a private organization willing to receive the child, upon such conditions as the cabinet may prescribe;

(e) Treated as provided in KRS Chapter 645;

(f) Following the transfer or placement of a child pursuant to paragraphs (b), (c), (d), or (e) of this subsection, the Department of Juvenile Justice or the cabinet shall, within fourteen (14) days, excluding weekends and holidays, give written notice to the court of the transfer, the placement, and the reasons therefor.

(2) No child ten (10) years of age or under shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as public offenders***, except that a child charged with the commission of a capital offense or with an offense designated as a Class A or Class B felony may be detained in a state-operated detention facility when there is no available less restrictive alternative***;

(3) If a child committed to the cabinet as dependent, neglected, or abused is placed in the home of the child's parents, the child shall not be removed except in accordance with the following standards and procedures:

(a) If the social service worker believes that the committed child continues to be dependent, neglected, or abused, but immediate removal is unnecessary to protect the child from imminent death or serious physical injury, the casework situation and evidence shall be reviewed with his supervisor to determine whether to continue work with the family intact or to remove the child. There shall be documentation that the social service worker, prior to the court hearing, made an effort to contact the parents to inform them of the specific problems that could lead to removal so they have an opportunity to take corrective action. If the parents are unavailable or do not respond to attempts to communicate, the specific circumstances shall be documented;

(b) If it appears that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm and there is not reasonably available an alternative less drastic than removal of the child from the home, the cabinet shall petition the District Court to review the commitment pursuant to KRS 610.120 in relation to the cabinet's intention to remove the child from the parent's home. The petition shall set forth the facts which constitute the need for removal of the child. The court shall serve notice of the petition and the time and place of the hearing on the parents; however, the social service worker shall also contact the parents to ensure that they received the notice and are aware of the right to be represented by counsel. If the parents' whereabouts are unknown, notice may be mailed to the last known address of an adult who is a near relative. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall not be removed from the parents' home;

(c) If a social service worker finds a committed, unattended child who is too young to take care of himself, the social service worker shall make reasonable efforts to arrange for an emergency caretaker in the child's home until the parents return or fail to return within a reasonable time. If no in-home caretaker is available for the child, the social service worker shall request any appropriate law enforcement officer to take the child into protective custody. If, after a reasonable time, it appears the child has been abandoned, the cabinet shall petition the District Court to review the case; or

(d) If there exist reasonable grounds to believe that the child is in danger of imminent death or serious physical injury or is being sexually abused and that the parents are unable or unwilling to protect the child, the social service worker shall, with the assistance of a law enforcement officer, immediately remove the child prior to filing a petition for review. Within seventy-two (72) hours after the removal, the cabinet shall file a petition for review in District Court pursuant to KRS 610.120 with a request for an expeditious hearing. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall be returned to the parents' home.

(4) The cabinet or the Department of Juvenile Justice, as appropriate, shall notify the juvenile court of the county of placement with the conditions of supervised placement of each child placed in that county from one (1) of the residential treatment facilities operated by the Department of Juvenile Justice or the cabinet. Notice of the conditions of such placement may be made available by the court to any law enforcement agency.

(5) The person in charge of any home to which a child is probated, and the governing authority of any private facility or agency to which a child is committed, shall make such reports to the court as the court may require, and such reports as the Department of Juvenile Justice or the cabinet may require in the performance of its functions under the law. The Department of Juvenile Justice or the cabinet shall have the power to make such visitations and inspections of the homes, facilities, and agencies in which children who have committed public offenses have been placed as it deems necessary to carry out its functions under the law.

(6) The Department of Juvenile Justice or the cabinet shall provide a written transfer summary to the person in charge of any foster home or any governing authority of any private facility or agency in which the Department of Juvenile Justice or the cabinet has placed a child. The written summary shall include, at a minimum, demographic information about the child, a narrative statement detailing the child's prior placements, the length of time the child has been committed, a description of the services and assistance provided to the child or the child's family since the most current case plan, a copy of the current case plan for the child and the child's family, and a copy of the child's medical and educational passport, if available, provided that no information shall be provided that violates any statutory confidentiality requirements. The transfer summary shall be provided by the Department of Juvenile Justice if it is responsible for the child, or the cabinet if it is responsible for the child, within seven (7) days of the placement of the child with the person, agency, or facility providing

care to the child.

(7) The Department of Juvenile Justice may assist the courts in placing children who have committed public offenses in boarding homes, and, under agreements with the individual courts, may assume responsibility for making such placements. Counties may pay or contribute towards the expenses of maintaining such children and, to the extent authorized by the fiscal court, the Department of Juvenile Justice may incur obligations chargeable to the county for such expenses.

Section 4. KRS 610.200 is amended to read as follows:

(1) When a peace officer has taken or received a child into custody on a charge of committing an offense, the officer shall immediately inform the child of his constitutional rights and afford him the protections required thereunder, notify the parent, or if the child is committed, the Department of Juvenile Justice or the cabinet, as appropriate, and if the parent is not available, then a relative, guardian, person exercising custodial control or supervision of the child, that the child has been taken into custody, give an account of specific charges against the child, including the specific statute alleged to have been violated, and the reasons for taking the child into custody.

(2) Unless the child is subject to trial as an adult or unless the nature of the offense or other circumstances are such as to indicate the necessity of retaining the child in custody, the officer shall release the child to the custody of his parent or if the child is committed, the Department of Juvenile Justice or the cabinet, as appropriate; or if the parent is not available, then a relative, guardian, person exercising custodial control or supervision or other responsible person or agency approved by the court upon the written promise, signed by such person or agency, to bring the child to the court at a stated time or at such time as the court may order. The written promise, accompanied by a written report by the officer, shall be submitted forthwith to the court or court-designated worker and shall detail the reasons for having taken custody of the child, the release of the child, the person to whom the child was released, and the reasons for the release.

(3) If the person fails to produce the child as agreed or upon notice from the court, a summons, warrant, or custody order may be issued for the apprehension of the person or of the child, or both.

(4) The release of a child pursuant to this section shall not preclude a peace officer from proceeding with a complaint against a child or any other person.

(5) Unless the child is subject to trial as an adult, if the child is not released, the peace officer shall contact the court-designated worker who may:

(a) Release the child to his parents;

(b) Release the child to such other persons or organizations as are authorized by law;

(c) Release the child to either of the above subject to stated conditions; or

(d) ***Except as provided in subsection (6) of this section,*** authorize the peace officer to retain custody of the child for an additional period not to exceed twelve (12) hours during which the peace officer may transport the child to a secure juvenile detention facility***, a***[~~or~~] juvenile holding facility***, or a nonsecure facility***. If the child is retained in custody, the court-designated worker shall give notice to the child's parents or person exercising custodial control or supervision of the fact that the child is being retained in custody.

(6) (a) Except as provided in paragraph (b) of this subsection, no child ten (10) years of age or under shall be taken to or placed in a juvenile detention facility.

(b) Any child ten (10) years of age or under who has been charged with the commission of a capital offense or with an offense designated as a Class A or Class B felony may be taken to or placed in a secure juvenile detention facility or youth alternative center when there is no available less restrictive alternative.

SECTION 5. A NEW SECTION OF KRS CHAPTER 610 IS CREATED TO READ AS FOLLOWS:

(1) Any statute to the contrary notwithstanding, detention costs shall not be assessed by a court against a parent unless the court has conducted a hearing and has determined:

(a) That the child has previously been adjudicated as a habitual truant under KRS Chapter 630, a public offender under KRS Chapter 635, or a youthful offender under KRS Chapter 640, and now stands adjudicated guilty of a subsequent habitual truancy or public offense, or is now being considered for transfer to the Circuit Court for trial as a youthful offender; and

(b) That the failure or neglect of the parent to properly supervise or control the child is a substantial contributing factor of the act or acts of the child upon which the proceeding is based; and

(c) That the parent has the financial ability to pay any fees ordered.

(2) Any orders for payment shall direct that payments be made to the fiscal court if detention is based upon adjudication related to a status offense and to the Department of Juvenile Justice if the adjudication is based upon a public offense or transfer as a youthful offender.

(3) The fiscal court or the Department of Juvenile Justice, as appropriate, shall establish a payment schedule for parents against whom detention costs have been assessed, and may discharge any remaining portion of the debt upon proof of substantial change in circumstances of the parent.

(4) The authority granted under subsection (3) of this section may be applied to all pre-existing court orders assessing

detention costs in effect on the effective date of this legislation.

Section 6. KRS 635.100 is amended to read as follows:

(1) Any child committed to ***or in the custody of*** the Department of Juvenile Justice [~~who is placed in a treatment facility or program and~~]who escapes or is absent without leave ***from his or her placement*** shall be taken into custody and returned to the custody of the Department of Juvenile Justice by any juvenile probation officer or by any peace officer on direction of the Department of Juvenile Justice.

(2) Any child committed to the Department of Juvenile Justice who is placed on supervised placement by the Department of Juvenile Justice and who violates the terms or conditions of supervised placement may be returned to active custody of the Department of Juvenile Justice and may be taken into custody by any juvenile probation officer or by any peace officer on direction of the Department of Juvenile Justice.

(3) A child taken into custody may be held in a Department of Juvenile Justice facility, program, or contract facility, prior to the administrative hearing, provided a preliminary hearing is held by a person designated by the Department of Juvenile Justice within five (5) days, exclusive of weekends and holidays, of the holding, unless the child or his representative request or agree to a longer period of time, to determine if there is probable cause to believe that the child violated his supervised placement conditions and, if so, to determine if the best interest of the child requires that the child be held in custody pending an administrative hearing pursuant to subsection ***(5)***[~~(4)~~] of this section. The child and his parent or other person exercising custodial control or supervision shall be given an opportunity to be heard and to be represented by counsel at the preliminary hearing.

(4) ***A child taken into custody as provided in subsection (1) of this section shall be returned to the active custody of the Department of Juvenile Justice within three (3) days, exclusive of weekends and holidays, and no administrative hearing shall be required.***

(5) If the child is returned to the active custody of the Department of Juvenile Justice as provided in subsection (3) of this section an administrative hearing shall be held within ten (10) days, exclusive of weekends and holidays, of the preliminary hearing unless the child and his representative request or agree to a longer period of time. The hearing shall be held by one (1) hearing officer designated by the Department of Juvenile Justice to hear such matters at which time the child and his parent or other person exercising custodial control or supervision shall be given an opportunity to be heard and be represented by counsel.

(6)[~~(5)~~] The department shall have the power to administer oaths and to issue subpoenas compelling the attendance of witnesses as it may deem necessary to the case of any child before it. Disobedience of a subpoena may be punished as contempt of court, after a hearing before the committing juvenile court.

(7)[~~(6)~~] Administrative hearings conducted under this section and administrative regulations promulgated under this section shall be exempt from the requirements of KRS Chapter 13B.

(8)[~~(7)~~] The Department of Juvenile Justice shall promulgate administrative regulations to govern at least the following aspects of this section:

(a) Commissioner's warrant;

(b) Procedural aspects of the hearing;

(c) Burden of proof;

(d) Standard of proof; and

(e) Administrative appeal process.

SECTION 7. A NEW SECTION OF KRS 635.500 TO 635.545 IS CREATED TO READ AS FOLLOWS:

Any other statute to the contrary notwithstanding, communications made in the application for or in the course of a sexual offender's diagnosis and treatment in the program, between a sexual offender or member of the sexual offender's family and any employee of the department who is assigned to work in the program, or any approved provider, shall be privileged from disclosure unless the sexual offender consents in writing to the disclosure or the communication is related to an ongoing criminal investigation. The privilege created by this section shall not extend to disclosures made for the purpose of determining whether the sexual offender should continue to participate in the program, to any communication regarding conduct in which the sexual offender was not a participant, or to any disclosure involving a homicide. The sexual offender shall be informed in writing of the limits of the privilege created by this section.

Section 8. KRS 635.505 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) The "treatment program" means a continuum of services provided in community and institutional settings designed to provide early intervention and treatment services for juvenile sexual offenders.

(2) A "juvenile sexual offender" as used in this chapter means an individual who was at the time of the commission of the offense under the age of eighteen (18) years who is not actively psychotic or mentally retarded and who has been adjudicated guilty of or has been convicted of or pled guilty to:

(a) A felony under KRS Chapter 510;

(b) Any other felony committed in conjunction with a misdemeanor described in KRS Chapter 510;

(c) Any felony under KRS 506.010 when the crime attempted is a felony or misdemeanor described in KRS Chapter 510;

(d) An offense under KRS 530.020;

(e) An offense under KRS 530.064;

(f) An offense under KRS 531.310; or

(g) A misdemeanor offense under KRS Chapter 510.

(3) A "juvenile sexual offender assessment" means an assessment of the child's adolescent social development, medical history, educational history, legal history, family history, substance abuse history, sexual history, treatment history, and recent behaviors, which shall be prepared in order to assist the courts in determining whether the child should be declared a juvenile sexual offender, and to provide information regarding the risk for reoffending and recommendations for treatment.

(4) "Mentally retarded" as used in this section means a juvenile with a full scale intelligent quotient of seventy (70) or below.

Section 9. KRS 635.510 is amended to read as follows:

(1) A child, thirteen (13) years of age or older, shall be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2)(a), (b), (c), (d), (e), or (f).

(2) (a) A child, less than thirteen (13) years of age, may be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2).

(b) Any child, thirteen (13) years of age or older, may be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2)(g).

(3) Upon final adjudication by the juvenile court ***under subsection (2) of this section***, the juvenile court judge[~~ or other authority designated by the juvenile court judge~~] shall order a ***juvenile sexual offender***[~~mental health~~] assessment to be conducted on the child by the program or by a qualified[~~ mental health~~] professional[~~ as defined in KRS 600.020 and~~] approved by the program which shall recommend the appropriate course of treatment. Upon receipt of the findings of the assessment, the juvenile court judge[~~ or other authority designated by the juvenile court judge~~] shall ***determine whether the child shall be declared a juvenile sexual offender, and, if so, shall*** initiate a referral to the program for[~~ evaluation and~~] treatment[~~ as indicated~~].

Section 10. KRS 635.515 is amended to read as follows:

(1) A child declared a juvenile sexual offender shall be committed to the custody of the Department of Juvenile Justice and shall receive ***sexual offender*** treatment[~~ in a juvenile sexual offender treatment program~~] for[~~ a minimum of two (2) years but~~] not more than three (3) years, except that the juvenile sexual offender shall not remain in the care of the Department of Juvenile Justice after the age of twenty-one (21) years. If an individual in the care of the department as a juvenile sexual offender reaches the age of nineteen (19) years prior to the ***completion of the sexual offender treatment program or the*** expiration of ***three (3)***[~~the minimum of two (2)~~] years of treatment, that individual shall be returned to the sentencing court. At that time, the sentencing court may order the individual to complete the prescribed treatment ***subject to the contempt powers of the court***.

(2) Based on the assessment and evaluation of the juvenile sexual offender and his family, the Department of Juvenile Justice shall utilize the treatment setting which provides the least restrictive alternative as defined in KRS 600.020.

(3) The program shall develop a written treatment agreement ***upon the child's placement in a community setting,*** detailing the responsibilities of the juvenile sexual offender, his family, and the program to include but not be limited to: attendance; participation in education; participation in planning and completion of treatment goals; curfew; visit of appropriate staff to the home; participation in parenting groups and family counseling; continued contact with the program, schools, and courts; insurance of legal rights; and discharge criteria.

(4) The written treatment agreement shall be presented to the court, and the court shall include the agreement as part of the order except for good cause shown.

(5) The program shall be responsible for sending written reports every sixty (60) days to the juvenile court judge concerning the participation of the juvenile sexual offender and family in the treatment program. The written report shall include information about the treatment received by the juvenile sexual offender and family, an assessment of the ***sexual*** offender's current condition, and recommendations by the program staff.

(6) The case may be called for review upon the recommendation of the program staff or by the juvenile court judge at any time during the course of treatment. The review may be called to consider documentation of noncompliance, absenteeism, or unwillingness to acknowledge responsibility for sexually-inappropriate behavior ***which may be remedied through the contempt powers of the court***.

(7) A ***court***[~~discharge~~] review shall be requested by the program sixty (60) days prior to the recommended ***program*** release date. The juvenile court judge shall schedule a hearing to formally consider the recommendation of release from the

program.

SECTION 11. A NEW SECTION OF KRS CHAPTER 640 IS CREATED TO READ AS FOLLOWS:

(1) Any other provision of KRS Chapter 640 to the contrary notwithstanding, any youthful offender ordered transferred to the Department of Corrections under KRS 640.030(2)(c) may, at the discretion of the Department of Juvenile Justice, after consultation with the Department of Corrections, remain in the custody of the Department of Juvenile Justice and in a Department of Juvenile Justice facility or program, until expiration of sentence or until the youthful offender is released on parole, but in no event past the age of twenty-one (21).

(2) Any youthful offender whose custody has been retained by the Department of Juvenile Justice under subsection (1) of this section may be immediately transferred to the Department of Corrections, at such location within this state as the Department of Corrections directs, if the youthful offender causes any disruption to the program or attempts to escape.

(3) Any youthful offender who attains the age of twenty-one (21) while in the custody of the Department of Juvenile Justice shall be immediately transferred to the Department of Corrections at such location within this state as the Department of Corrections directs.

(4) Any youthful offender whose custody has been retained under subsection (1) of this section and who has not been released under other provision of law or delivered to the Department of Corrections under subsection (2) of this section, may, on one (1) occasion and after the completion of a minimum twelve (12) months additional service of sentence, petition the sentencing Circuit Court for reconsideration of probation and, except as provided in KRS 439.3401, may be considered for early parole eligibility.

Section 12. KRS 640.030 is amended to read as follows:

A youthful offender, ***who***~~[if he]~~ is convicted of, or pleads guilty to, a felony offense in Circuit Court, shall be subject to the same type of sentencing procedures and duration of sentence, including probation and conditional discharge, as an adult convicted of a felony offense, except that:

(1) The presentence investigation required by KRS 532.050 shall be prepared by the Department of Juvenile Justice or by its designated representative;

(2) Except as provided in KRS 640.070, any sentence imposed upon the youthful offender shall be served in a~~[youth]~~ facility or program operated ***or contracted*** by the Department of Juvenile Justice until the expiration of the sentence, the youthful offender is paroled, the youthful offender is probated, or the youthful offender reaches the age of eighteen (18), whichever first occurs. ***The Department of Juvenile Justice shall take custody of a youthful offender, remanded into its custody, within sixty (60) days following sentencing.*** If an individual sentenced as a youthful offender attains the age of eighteen (18) prior to the expiration of his sentence, and has not been probated or released on parole, that individual shall be returned to the sentencing court. At that time, the sentencing court shall make one (1) of the following determinations:

   (a) Whether the youthful offender shall be placed on probation or conditional discharge;

   (b) Whether the youthful offender shall be returned to the Department of Juvenile Justice to complete a treatment program, which treatment program shall not exceed a period in excess of six (6) months. At the conclusion of the treatment program or at the expiration of six (6) months, whichever first occurs, the individual shall be ***returned to the sentencing court for a determination under paragraphs (a) or (c) of this subsection***~~[finally discharged]~~; or

   (c) Whether the youthful offender shall be incarcerated in an institution operated by the Department of Corrections;

(3) If a ***youthful offender***~~[child]~~ has attained the age of eighteen (18) prior to sentencing, ***that individual***~~[he]~~ shall be returned to the sentencing court at the end of a six (6) month period if ***that individual***~~[he]~~ has been sentenced to a period of placement or treatment ***with the***~~[in a]~~ Department of Juvenile Justice~~[youth facility or program]~~. The court shall have the same dispositional options as currently provided in subsection (2)***(a) and (c)*** of this section~~[, except that youthful offenders shall not remain in the care of the Department of Juvenile Justice after the age of nineteen (19)]~~; and

(4) ***KRS 197.420 to the contrary notwithstanding,*** a youthful offender who is a sexual offender as defined by KRS 197.410(1) shall be provided a sexual offender treatment program~~[as mandated by KRS 439.340(10)]~~ by the Department of Juvenile Justice pursuant to KRS 635.500 ***and as mandated by KRS 439.340(11) unless***~~[if]~~ the youthful offender has~~[not]~~ been transferred to the Department of Corrections~~[pursuant to KRS 640.070]~~.

HB 146, AN ACT relating to juvenile justice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 610.060 is amended to read as follows:

(1) If the Circuit or District Court determines that a formal proceeding is required in the interest of the child or to determine the truth or falsity of the allegations against the child, a petition shall be required pursuant to KRS 610.020, and the court shall, when the child is brought before the court:

   (a) Explain to the child and his parents, guardian, or person exercising custodial control their respective rights to counsel and, if the child and his parents, guardian, or person exercising custodial control are unable to obtain counsel, shall appoint counsel for the child and, unless specified to the contrary by other provisions of KRS

Chapters 600 to 645, may appoint counsel for the parents, guardian, or person exercising custodial control;

(b) Explain the right against self-incrimination by saying that the child, parents, relative, guardian, or custodian may remain silent concerning the charges against the child, and that anything said may be used against the child;

(c) Unless limited by statute, explain the right to confront anyone who has accused the child and to cross-examine that person on the allegations made against the child;

(d) Advise the child and his parents, guardian, or person exercising custodial control of the right to appeal from a determination of the court; and

(e) Advise the child that these rights belong to him and may not be waived by his parents, guardian, or person exercising custodial control.

(2) ***(a) No court shall accept a plea or admission or conduct an adjudication hearing involving a child accused of committing any felony offense or any offense under KRS Chapter 510 unless that child is represented by counsel.***

(b) For a child accused of committing any other offense, before a court permits the child to proceed beyond notification of the right to counsel required by paragraph (a) of subsection (1) of this subsection without representation, the court shall:

1. Conduct a hearing about the child's waiver of counsel; and

2. Make specific findings of fact that the child knowingly, intelligently and voluntarily waived his right to counsel.

(3) Unless otherwise exempted in KRS Chapters 600 to 645, a child and his parents or person exercising custodial control shall have a right to attend the hearing if such attendance will not unnecessarily delay the hearing.

(4)~~[(3)]~~ Subject to the provisions of KRS 31.125, the court may order a parent to pay for counsel for the child if the court determines that the parent has the ability to pay for such counsel. The fact that a child is committed to a state agency shall not be cause for the court to order that agency to pay for counsel.

(5)~~[(4)]~~ Subject to Rule 43.09 of the Rules of Civil Procedure, the court shall permit the victim, the victim's parents or legal guardian, or, if emancipated, the victim's spouse, or the legal representative of any of these, to attend all proceedings under this section.

(6)~~[(5)]~~ An attempt shall be made to notify the persons specified in subsection ***(5)***~~[(4)]~~ of this section of the time, date, and place of all proceedings under this section. Each District Court shall, by rule, establish the means of notification and the person or agency responsible for making the notifications. The failure of a victim or other person specified in subsection ***(5)***~~[(4)]~~ of this section to receive notice shall not delay the proceedings in the case.

The Committee Substitute to **HB 146** is as follows:

HB 146, AN ACT relating to juvenile justice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 610.060 is amended to read as follows:

(1) If the Circuit or District Court determines that a formal proceeding is required in the interest of the child or to determine the truth or falsity of the allegations against the child, a petition shall be required pursuant to KRS 610.020, and the court shall, when the child is brought before the court:

(a) Explain to the child and his parents, guardian, or person exercising custodial control their respective rights to counsel and, if the child and his parents, guardian, or person exercising custodial control are unable to obtain counsel, shall appoint counsel for the child***, as provided in subsection (2) of this section,*** and, unless specified to the contrary by other provisions of KRS Chapters 600 to 645, may appoint counsel for the parents, guardian, or person exercising custodial control;

(b) Explain the right against self-incrimination by saying that the child, parents, relative, guardian, or custodian may remain silent concerning the charges against the child, and that anything said may be used against the child;

(c) Unless limited by statute, explain the right to confront anyone who has accused the child and to cross-examine that person on the allegations made against the child;

(d) Advise the child and his parents, guardian, or person exercising custodial control of the right to appeal from a determination of the court; and

(e) Advise the child that these rights belong to him and may not be waived by his parents, guardian, or person exercising custodial control.

(2) ***(a) No court shall accept a plea or admission or conduct an adjudication hearing involving a child accused of committing any felony offense, any offense under KRS Chapter 510, or any offense for which the court intends to impose detention or commitment as a disposition unless that child is represented by counsel.***

(b) For a child accused of committing any other offense, before a court permits the child to proceed beyond notification of the right to counsel required by paragraph (a) of subsection (1) of this subsection without representation, the court shall:

1. Conduct a hearing about the child's waiver of counsel; and

2. Make specific findings of fact that the child knowingly, intelligently and voluntarily waived his right to counsel.

(3) Unless otherwise exempted in KRS Chapters 600 to 645, a child and his parents or person exercising custodial control shall have a right to attend the hearing if such attendance will not unnecessarily delay the hearing.

(4)[~~(3)~~] Subject to the provisions of KRS 31.125, the court may order a parent to pay for counsel for the child if the court determines that the parent has the ability to pay for such counsel. The fact that a child is committed to a state agency shall not be cause for the court to order that agency to pay for counsel.

(5)[~~(4)~~] Subject to Rule 43.09 of the Rules of Civil Procedure, the court shall permit the victim, the victim's parents or legal guardian, or, if emancipated, the victim's spouse, or the legal representative of any of these, to attend all proceedings under this section.

(6)[~~(5)~~] An attempt shall be made to notify the persons specified in subsection *(5)*[~~(4)~~] of this section of the time, date, and place of all proceedings under this section. Each District Court shall, by rule, establish the means of notification and the person or agency responsible for making the notifications. The failure of a victim or other person specified in subsection *(5)*[~~(4)~~] of this section to receive notice shall not delay the proceedings in the case.

HB 156, AN ACT relating to the Law Enforcement Foundation Program Fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.440 is amended to read as follows:

(1) Each local unit of government which meets the following requirements shall be eligible to share in the distribution of funds from the Law Enforcement Foundation Program fund:

(a)[~~(1)~~] Employs one (1) or more police officers;

(b)[~~(2)~~] Pays every police officer at least the minimum federal wage;

(c)[~~(3)~~]Maintains the minimum educational requirement of a high school degree, or its equivalent as determined by the Kentucky Law Enforcement Council, for employment of police officers on or after July 1, 1972, and for all sheriffs appointed or elected on or after July 15, 1998, and all deputy sheriffs, and state or public university police officers employed after July 15, 1998; provided, however, that all police officers employed prior to July 1, 1972, shall be deemed to have met the requirements of this subsection, and that all sheriffs serving in office on July 15, 1998, all deputy sheriffs, and state or public university police, employed prior to July 15, 1998 shall be deemed to have met the requirements of this subsection;

(d)[~~(4)~~] Requires all police officers employed on or after July 1, 1972, and all sheriffs appointed or elected on or after July 15, 1998, and deputy sheriffs, and state or public university police officers employed on or after January 1, 1998, to successfully complete a basic training course of at least six hundred forty (640) hours' duration within one (1) year of the date of employment at a school certified or recognized by the Kentucky Law Enforcement Council. All sheriffs serving in office on July 15, 1998, all deputy sheriffs, and state or public university police, employed prior to January 1, 1998, shall be deemed to have met the requirements of this subsection. The council may, by the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A, set the number of hours for basic training at a number higher than six hundred forty (640) hours based upon a training curriculum approved by the Kentucky Law Enforcement Council as determined by a validated job task analysis;

(e)[~~(5)~~]Requires all police officers, whether originally employed before or after July 1, 1972, and all sheriffs appointed or elected before, on, or after July 15, 1998, and all deputy sheriffs and state or public police officers employed before, on, or after July 15, 1998, to successfully complete each calendar year an in-service training course, appropriate to the officer's rank and responsibility and the size and location of his department, of at least forty (40) hours' duration at a school certified or recognized by the Kentucky Law Enforcement Council;

(f)[~~(6)~~] Requires compliance with all provisions of law applicable to local police, state or public university police, or sheriffs and their deputies, including transmission of data to the centralized criminal history record information system as required by KRS 17.150;

(g)[~~(7)~~] Requires compliance with all reasonable rules and regulations, appropriate to the size and location of the local police department, state or public university police department, or sheriff's office, issued by the Justice Cabinet to facilitate the administration of the fund and further the purposes of KRS 15.410 to 15.510;

(2)[~~(8)~~] [~~Provided, however, that~~]No local unit of government which meets the criteria of this section shall be eligible to continue sharing in the distribution of funds from the Law Enforcement Foundation Program fund unless the local police department, state or public university police department, or sheriff's office actually begins and continues to comply with

the requirements of this section; provided, further, that no local unit shall be eligible to share in the distribution of funds from the Law Enforcement Foundation Program fund until the local police department, state or public university police department, or sheriff's office has substantially complied with ***subsection (1), (f) and (g)***[~~subsections (6) and (7)~~] of this section.

(3) A sheriff's office shall not lose eligibility to share in the distribution of funds from the Law Enforcement Foundation Program fund if the sheriff does not participate in the Law Enforcement Foundation Program fund.

Section 2. KRS 15.400 is amended to read as follows:

(1) The effective date of KRS 15.380 to 15.402 shall be December 1, 1998. All peace officers employed as of December 1, 1998, shall be deemed to have met all the requirements of KRS 15.380 to 15.402 and shall be granted certified status as long as they remain in continuous employment of the agency by which they were employed as of December 1, 1998, or shall have successfully completed an approved basic training course approved and recognized by the Kentucky Law Enforcement Council pursuant to KRS 15.440***(1)(d)***[~~(4)~~] when seeking employment with another law enforcement agency.

(2) Any peace officers employed after December 1, 1998, shall comply with all minimum standards specified in KRS 15.380 to 15.402. Persons newly employed or appointed after December 1, 1998, shall have one (1) year within which to gain certified status or they shall lose their law enforcement powers.

(3) The Open Records Act notwithstanding, the person's home address, telephone number, date of birth, social security number, background investigation, medical examination, psychological examination, and polygraph examination conducted pursuant to this statute shall not be subject to disclosure.

Section 3. KRS 15.470 is amended to read as follows:

Law Enforcement Foundation Program funds made available to local units shall be received, held***,*** and expended in accordance with the provisions of KRS 15.410 to 15.510, including the rules and regulations issued by the Justice Cabinet, and the following specific restrictions:

(1) Funds provided shall be used only as a cash salary supplement to police officers, for payments to the defined benefit pension plan to which the officer belongs to cover employer retirement costs on the cash salary supplement, and for administrative costs as provided in KRS 15.450;

(2) Funds provided shall be used only to compensate police officers who have complied with KRS 15.440***(1), (c), (d), and (e)***[~~(3), (4), and (5)~~].

(3) Each police officer shall be entitled to receive the state supplement which his qualifications brought to the local unit;

(4) Funds provided shall not be used to supplant existing salaries or as a substitute for normal salary increases periodically due to police officers.

HB 157, AN ACT relating to peace officer certification.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.380 is amended to read as follows:

(1) The following officers employed or appointed as full-time, part-time, or auxiliary officers, whether paid or unpaid, shall be certified:

- (a) State Police officers, but for the commissioner of the State Police;
- (b) City, county, and urban-county police officers;
- (c) Deputy sheriffs, except those identified in KRS 70.045 and 70.263(3);
- (d) State or public university safety and security officers appointed pursuant to KRS 164.950;
- (e) School security officers employed by local boards of education who are special law enforcement officers appointed under KRS 61.902;
- (f) Airport safety and security officers appointed under KRS 183.880;
- (g) Department of Alcoholic Beverage Control field representatives and investigators appointed under KRS 241.090; and
- (h) Division of Insurance Fraud Investigation investigators appointed under KRS 304.47-040.

(2) The requirements of KRS 15.380 to ***15.404***[~~15.402~~] for certification may apply to all state peace officers employed pursuant to KRS Chapter 18A and shall, if adopted, be incorporated by the Department of Personnel for job specifications.

(3) Additional training in excess of the standards set forth in KRS 15.380 to ***15.404***[~~15.402~~] for all peace officers possessing arrest powers who have specialized law enforcement responsibilities shall be the responsibility of the employing agency.

(4) The following officers may, upon request of the employing agency, be certified by the council:

- (a) Deputy coroners;
- (b) Deputy constables;

(c) Deputy jailers;

(d) Deputy sheriffs under KRS 70.045 and 70.263(3);

(e) Officers appointed under KRS 61.360;

(f) Officers appointed under KRS 61.902, except those who are school security officers employed by local boards of education;

(g) Private security officers;

(h) Employees of a correctional services division created pursuant to KRS 67A.028 and employees of a metropolitan correctional services department created pursuant to KRS 67B.010 to 67B.080; and

(i) Investigators employed by the Division of Charitable Gaming in accordance with KRS 238.510.

(5) The following officers shall be exempted from the certification requirements but may upon their request be certified by the council:

(a) Sheriffs;

(b) Coroners;

(c) Constables;

(d) Jailers;

(e) Racing Commission security officers employed under KRS 230.240; and

(f) Commissioner of the State Police; and

(6) Federal peace officers cannot be certified under KRS 15.380 to ***15.404***~~[15.402]~~.

Section 2. KRS 15.382 is amended to read as follows:

A person certified after December 1, 1998, under KRS 15.380 to ***15.404***~~[15.402]~~ shall, at the time of becoming certified, meet the following minimum qualifications:

(1) Be a citizen of the United States;

(2) Be at least twenty-one (21) years of age;

(3) Be a high school graduate or have successfully completed a General Education Development (G.E.D.) examination;

(4) Possess a valid license to operate a motor vehicle;

(5) Be fingerprinted for a criminal background check;

(6) Not have been convicted of any felony;

(7) Not be prohibited by federal or state law from possessing a firearm;

(8) Have received and read the Kentucky Law Enforcement Officers Code of Ethics as established by the council;

(9) Have not received a dishonorable discharge, or general discharge under other than honorable conditions if having served in any branch of the armed forces of the United States;

(10) Have passed a medical examination as defined by the council by administrative regulation to determine if he can perform peace officer duties as determined by a validated job task analysis. However, if the employing agency has its own validated job task analysis, the person shall pass the medical examination, appropriate to the agency's job task analysis, of the employing agency. All agencies shall certify passing medical examination results to the council, which shall accept them as complying with KRS 15.315 to 15.510;

(11) Have passed a drug screening test administered or approved by the council by administrative regulation. A person shall be deemed to have passed a drug screening test if the results of the test are negative for the use of an illegal controlled substance or prescription drug abuse. Any agency that administers its own test that meets or exceeds this standard shall certify passing test results to the council, which shall accept them as complying with KRS 15.315 to 15.510;

(12) Have undergone a background investigation established or approved by the council by administrative regulation to determine suitability for the position of a peace officer. If the employing agency has established its own background investigation that meets or exceeds the standards of the council, as set forth by administrative regulation, the agency shall conduct the background investigation and shall certify background investigation results to the council, which shall accept them as complying with KRS 15.315 to 15.510;

(13) Have been interviewed by the employing agency;

(14) Not have had certification as a peace officer permanently revoked in another state;

(15) Have taken a psychological suitability screening administered or approved by the council by administrative regulation to determine the person's suitability to perform peace officer duties as determined by a council validated job task analysis. However, if the employing agency has its own validated job task analysis, the person shall take that agency's psychological examination, appropriate to the agency's job task analysis. All agencies shall certify psychological examination results to the council, which shall accept them as complying with KRS 15.315 to 15.510;

(16) Have passed a physical agility test administered or approved by the council by administrative regulation to determine his

suitability to perform peace officer duties as determined by a council validated job task analysis. However, if the employing agency has its own validated job task analysis, the person shall take the physical agility examination of the employing agency. All agencies shall certify physical agility examination results to the council, which shall accept them as demonstrating compliance with KRS 15.315 to 15.510; and

(17) Have taken a polygraph examination administered or approved by the council by administrative regulation to determine his suitability to perform peace officer duties. Any agency that administers its own polygraph examination as approved by the council shall certify the results that indicate whether a person is suitable for employment as a peace officer to the council, which shall accept them as complying with KRS 15.315 to 15.510.

Section 3. KRS 15.386 is amended to read as follows:

The following certification categories shall exist:

(1) ***"***Precertification status***" means that***[~~.~~] the officer is currently employed or appointed by an agency and meets or exceeds all those minimum qualifications set forth in KRS 15.382, but has not successfully completed a basic training course, except those officers covered by KRS 15.400. Upon the council's verification that the minimum qualifications have been met, the officer shall have full peace officer powers as authorized under the statute under which he was appointed or employed. If an officer fails to successfully complete a basic training course within one (1) year of employment, his ***or her*** enforcement powers shall automatically terminate[~~, and he shall not exercise peace officer powers in the Commonwealth until he has successfully completed a basic training course~~].

(2) ***"***Certification status***" means that***[~~.~~] unless the certification is in revoked status or inactive status, the officer is currently employed or appointed by an agency and has met all training requirements. The officer shall have full peace officer powers as authorized under the statute under which he was appointed or employed.

(3) ***(a)*** "Inactive status***" means that unless the certification is in revoked status:***[~~.~~]

1.[~~(a)~~] The person has been separated on or after December 1, 1998, from the agency by which he was employed or appointed and has no peace officer powers; or

2.[~~(b)~~] The person is on military active duty for a period exceeding three hundred sixty-five (365) days.

(b) The person may remain on inactive status. A person who is on inactive status and who returns to a peace officer position shall have certification status restored if he ***or she has successfully completed a basic training course approved and recognized by the council,*** has not committed an act for which his ***or her*** certified status may be revoked pursuant to KRS 15.380 to ***15.404***[~~15.402~~] and[~~ by~~] successfully ***completes***[~~completing forty (40) hours of~~] in-service training as prescribed by the council***, as follows:***

1. No more that forty (40) hours if the person has been on inactive status for a period of less than three (3) years, and the person was not in training deficiency status at the time of separation; or

2. No more than eighty (80) hours if the person has been on inactive status for a period of three (3) years or more, or the person was in training deficiency status at the time of separation.

(4) "Training deficiency status" means that unless the certification is in revoked status or inactive status, the officer is currently employed or appointed by an agency and has failed to meet all in-service training requirements. The officer's enforcement powers shall automatically terminate, and he or she shall not exercise peace officer powers in the Commonwealth until he or she has corrected the in-service training deficiency.

(5)[~~(4)~~] ***"***Revoked[~~ or denied~~] status***" means that***[~~.~~] the officer has no enforcement powers and has been separated from an enforcement agency for any one (1) of the following reasons:

(a) Failure to meet or maintain training requirements;

(b) Willful falsification of information to obtain or maintain certified status;

(c) Certification was the result of an administrative error;

(d) Plea of guilty to, conviction of, or entering of an Alford plea to any felony;

(e) Prohibition by federal or state law from possessing a firearm.

(6) "Denied status" means that a person does not meet the requirements to achieve precertification status or certification status.

(7)[~~(5)~~] The design of a certificate may be changed periodically. When a new certificate is produced, it shall be distributed free of charge to each currently certified peace officer.

Section 4. KRS 15.388 is amended to read as follows:

(1) Within five (5) working days of employment or appointment, the chief executive officer of the employing agency, or his designee, shall file a report with the council certifying that the newly employed officer is certified or meets or exceeds the precertification qualifications of KRS 15.382.

(2) If the person is certified, the council shall continue certified status.

(3) If the person is on inactive status, the council shall upgrade to certified status unless the certification is revoked ***or denied*** as provided by KRS 15.380 to ***15.404***[~~15.402~~].

(4) ***If the person is not certified and not on inactive status, but has successfully completed a basic training course approved and recognized by the council, the council shall designate the person as being in certified status unless the certification is revoked or denied as provided by KRS 15.380 to 15.404.***

(5) If the person is not certified and not on inactive status, ***and has not successfully completed a basic training course approved and recognized by the council,*** the council shall designate the person as being in precertification status.

(6)[~~(5)~~] A person who is in precertification status shall, upon successful completion of the required basic training, be certified unless he has committed an act that would result in revocation of his certificate in which case he shall be denied certification.

(7)[~~(6)~~] A person who is denied certified status under this section shall have the same right of appeal as a person who has been revoked under KRS 15.380 to ***15.404***[~~15.402~~].

(8)[~~(7)~~] If the certified officer has successfully completed the basic training required by KRS 15.404 and transfers from a peace officer position from a current employer to a peace officer position for another employer, and both employers have, at least ten (10) working days prior to the effective date of the transfer, notified the council in writing of the transfer, the council shall maintain the officer in certified status.

Section 5. KRS 15.392 is amended to read as follows:

(1) Within ten (10) working days from separation from service, the chief executive officer of the employing agency or his designee shall file with the council a summary report that provides the relevant information about the person's separation from service.

(2) If the person has been separated for ***any reason justifying revoked or denied status pursuant to KRS 15.386***[~~having pled guilty to, been convicted of, or entered an Alford plea to a felony~~], the council shall revoke the person's certification.

(3) If the person has been separated for any other reason other than death, ***or one justifying revoked or denied status pursuant to KRS 15.386; and***

(a) ***The person has successfully completed basic training at a school certified or recognized by the council,*** the council shall place the certification on inactive status***; or***

(b) ***The person has not successfully completed basic training at a school certified or recognized by the council, the certification shall lapse***.

(4) If the person has been separated due to death, the certification shall be retired.

(5)[~~(4)~~] The employing agency's findings of fact and evidentiary conclusions shall be deemed final. The council shall be limited only to revoking the certification.

(6)[~~(5)~~] The council shall not accept or hear complaints.

Section 6. KRS 15.396 is amended to read as follows:

(1) An agency may be required to pay for all training received by a person from the Department of Criminal Justice Training or any other facility approved by the Kentucky Law Enforcement Council if the agency knowingly employs or appoints a person to be an officer of any type as enumerated in KRS 15.380 and if that person fails to achieve certified status as required by KRS 15.380 to ***15.404***[~~15.402~~].

(2) The agency shall be denied participation in the Kentucky Law Enforcement Foundation Program Fund if the agency knowingly employs or appoints a person to be an officer of any type as enumerated in KRS 15.380 and if that person:

(a) Fails to meet those minimum qualifications set forth in KRS 15.402;

(b) Fails to achieve certified status as required by KRS 15.380 to ***15.404***[~~15.402~~]; or

(c) Fails to maintain the minimum training requirements set forth in KRS 15.404.

(3) An agency that is in violation of subsection (1) or (2) of this section may be relieved of the associated penalty upon:

(a) Termination of the officer who is the source of the violation; or

(b) Correction of the officer's deficiency.

Section 7. KRS 15.398 is amended to read as follows:

(1) The following Kentucky Revised Statutes and any administrative regulations promulgated thereunder affecting those peace officers required to be certified pursuant to KRS 15.380 to ***15.404***[~~15.402~~] shall not be superseded by the provisions of KRS 15.380 to ***15.404***[~~15.402~~], and in all instances the provisions of all statutes specified below shall prevail:

(a) KRS Chapter 16, relating to Kentucky State Police Officers;

(b) KRS Chapter 70, relating to sheriffs, and deputy sheriffs;

(c) KRS Chapter 78, relating to county police;

(d) KRS Chapters 15 and 95, ***except for KRS 95.955,*** relating to city and urban-county police;

(e) KRS Chapter 183, relating to airport safety and security officers;

(f) KRS Chapter 164, relating to State Universities and Colleges; Regional Education and Archaeology officers;

(g) KRS Chapter 18A, relating to all state peace officers;

(h) KRS 241.090, relating to Department of Alcoholic Beverage Control field representatives and investigators;

(i) KRS 304.47-040, relating to Division of Insurance Fraud Investigators; and

(j) Any other statutes affecting peace officers not specifically cited herein.

Section 8. KRS 15.400 is amended to read as follows:

(1) The effective date of KRS 15.380 to ***15.404***[~~15.402~~] shall be December 1, 1998. All peace officers employed as of December 1, 1998, shall be deemed to have met all the requirements of KRS 15.380 to ***15.404***[~~15.402~~] and shall be granted certified status as long as they remain in continuous employment of the agency by which they were employed as of December 1, 1998, or shall have successfully completed an approved basic training course approved and recognized by the Kentucky Law Enforcement Council pursuant to KRS 15.440(4) when seeking employment with another law enforcement agency.

(2) Any peace officers employed after December 1, 1998, shall comply with all minimum standards specified in KRS 15.380 to ***15.404***[~~15.402~~]. Persons newly employed or appointed after December 1, 1998, shall have one (1) year within which to gain certified status or they shall lose their law enforcement powers.

(3) The Open Records Act notwithstanding, the person's home address, telephone number, date of birth, Social Security number, background investigation, medical examination, psychological examination, and polygraph examination conducted ***for any person seeking certification*** pursuant to ***KRS 15.380 to 15.404***[~~this statute~~] shall not be subject to disclosure.

Section 9. KRS 15.402 is amended to read as follows:

No provisions of KRS 15.380 to ***15.404***[~~15.402~~] shall preclude an appointing or employing agency from having requirements that are in excess of or in addition to any requirements specified by ***KRS 15.380 to 15.404***[~~1998 Ky. Acts Ch. 606~~] or an administrative regulation promulgated under KRS 15.380 to ***15.404***[~~15.402~~].

Section 10. KRS 15.404 is amended to read as follows:

(1) Any peace officers employed or appointed after December 1, 1998, who have not successfully completed basic training at a school certified or recognized by the Kentucky Law Enforcement Council, shall within one (1) year of their appointment or employment, successfully complete at least six hundred forty (640) hours of basic training at a school certified or recognized by the Kentucky Law Enforcement Council.

(2) All peace officers with active certification status shall successfully complete forty (40) hours of annual in-service training that has been certified or recognized by the Kentucky Law Enforcement Council, that is appropriate to the officer's rank and responsibility and the size and location of his department.

(3) In the event of extenuating circumstances beyond the control of an officer that prevent the officer from completing the basic or in-service training within the time specified in subsections (1) and (2) of this section, the ***commissioner of the department***[~~secretary of the Justice Cabinet~~] or his ***or her*** designee may grant the officer an extension of time, not to exceed one hundred eighty (180) days in which to complete the training.

(4) Any peace officer who fails to successfully complete[~~ the~~] basic[~~ or in-service~~] training within the specified time ***periods, including extensions,***[~~period~~] shall lose his ***or her*** law enforcement powers and ***his or her precertification***[~~certification~~] status ***shall lapse. Any peace officer who fails to successfully complete in-service training within the specified time periods, including extensions, shall lose his or her law enforcement powers and his or her certification status shall be changed to training deficiency status. When a peace officer is deficient in required training, the commissioner of the department or his or her designee shall notify the council, which shall notify the peace officer and his or her agency.***

(5)[~~(4)~~] An officer who has lost his ***or her*** law enforcement powers due solely to his ***or her*** failure to meet the ***in-service*** training requirements of this section[~~ or any other applicable provision of Kentucky law mandating law enforcement training~~] may regain his ***or her*** certification status and law enforcement powers upon successful completion of the training deficiency.

HB 171, AN ACT relating to liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 376.010 is amended to read as follows:

(1) Any person who performs labor or furnishes materials, for the erection, altering, or repairing of a house or other structure or for any fixture or machinery therein, for the excavation of cellars, cisterns, vaults, wells or for the improvement in any manner of real property including the furnishing of agricultural lime, fertilizer, concrete pipe or drainage tile, crushed rock, gravel for roads or driveways, and materials used in the construction or maintenance of fences, by contract with, or by the written consent of, the owner, contractor, subcontractor, architect, or authorized agent, shall have a lien thereon, and upon the land upon which the improvements were made or on any interest the owner has therein, to secure the amount thereof with interest as provided in KRS 360.040 and costs. The lien on the land or improvements shall be superior to any mortgage or encumbrance created subsequent to the beginning of the labor or the furnishing of the materials, and the lien,

if asserted as hereinafter provided, shall relate back and take effect from the time of the commencement of the labor or the furnishing of the materials. The lien shall not be for a greater amount in the aggregate than the contract price of the original contractor, and should the aggregate amount of the liens exceed the price agreed upon between the original contractor and the owner there shall be a pro rata distribution of the original contract price among the lienholders.

(2) The lien shall not take precedence over a mortgage or other contract lien or bona fide conveyance for value without notice, duly recorded or lodged for record according to law, unless the person claiming the prior lien shall, before the recording of the mortgage or other contract lien or conveyance, file in the office of the county clerk of the county wherein he has furnished or expects to furnish labor or materials, a statement showing that he has furnished or expects to furnish labor or materials, and the amount in full thereof. The lien shall not, as against the holder of a mortgage or other contract lien or conveyance, exceed the amount of the lien claimed or expected to be claimed as set forth in the statement. The statement shall, in other respects, be in the form prescribed by KRS 376.080.

(3) No person who has not contracted directly with the owner or his agent shall acquire a lien under this section unless he notifies in writing the owner of the property to be held liable or his authorized agent, within ***ninety (90) days***~~[seventy five (75) days on claims amounting to less than $1,000 and one hundred twenty (120) days on claims in excess of $1,000]~~ after the last item of material or labor is furnished, of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent within the county in which the property to be held liable is located.

(4) No person who has not contracted directly with the owner or his authorized agent shall acquire a lien under this section on an owner-occupied single or double family dwelling, the appurtenances or additions thereto, or upon other improvements for agricultural or personal use to the real property or real property contiguous thereto and held by the same owner, upon which the owner-occupant's dwelling is located, unless he notifies in writing the owner of the property to be held liable or his authorized agent not more than ***ninety (90)***~~[forty-five (45)]~~ days after the last item of material or labor is furnished, of the delivery of the material or performance of labor and of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent. This notice is in lieu of the notice provided for in subsection (3). Notwithstanding the foregoing provisions of this subsection, the lien provided for under this section shall not be applicable to the extent that an owner-occupant of a single or double family dwelling or owner of other property as described in this subsection has, prior to receipt of the notice provided for in this subsection, paid the contractor, subcontractor, architect, or authorized agent for work performed or materials furnished prior to such payment. The contractor or subcontractor cannot be the authorized agent under this subsection. This subsection shall apply to the construction of single or double family homes constructed pursuant to a construction contract with a property owner and intended for use as the property owner's dwelling.

(5) For purposes of this section, "labor" includes but is not limited to, all supplies and work done by teams, trucks, machinery, and mechanical equipment, whether the owner furnishes a driver or operator or not.

(6) (a) "Supplies" includes small tools and equipment reasonably necessary in performing the work required to be done, including picks, shovels, sledge hammers, axes, pulleys, wire cables, ropes, and other similar items costing not more than fifty dollars ($50) per item, and tires and tubes furnished for use on vehicles engaged in the performance of the work.

(b) "Supplies" also includes the cost of labor, materials, and repair parts supplied or furnished for keeping all machinery and equipment used in the performance of the work in good operating condition; and shall include the agreed or reasonable rental price of equipment and machinery used in performing the work to be done:

1. The lien for rental equipment or machinery shall not be more than the aggregate sum of six (6) months' rental, and the aggregate amount of such rental shall not exceed sixty percent (60%) of the agreed value of the machinery or equipment; and

2. The liens for supplies as defined in this subsection are subordinate to the liens for labor, material, and supplies as defined in this section.

The Committee Substitute to **HB 171** is as follows:

HB 171, AN ACT relating to liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 376.010 is amended to read as follows:

(1) Any person who performs labor or furnishes materials, for the erection, altering, or repairing of a house or other structure or for any fixture or machinery therein, for the excavation of cellars, cisterns, vaults, wells or for the improvement in any manner of real property including the furnishing of agricultural lime, fertilizer, concrete pipe or drainage tile, crushed rock, gravel for roads or driveways, and materials used in the construction or maintenance of fences, by contract with, or by the written consent of, the owner, contractor, subcontractor, architect, or authorized agent, shall have a lien thereon, and upon the land upon which the improvements were made or on any interest the owner has therein, to secure the amount thereof

with interest as provided in KRS 360.040 and costs. The lien on the land or improvements shall be superior to any mortgage or encumbrance created subsequent to the beginning of the labor or the furnishing of the materials, and the lien, if asserted as hereinafter provided, shall relate back and take effect from the time of the commencement of the labor or the furnishing of the materials. The lien shall not be for a greater amount in the aggregate than the contract price of the original contractor, and should the aggregate amount of the liens exceed the price agreed upon between the original contractor and the owner there shall be a pro rata distribution of the original contract price among the lienholders.

(2) The lien shall not take precedence over a mortgage or other contract lien or bona fide conveyance for value without notice, duly recorded or lodged for record according to law, unless the person claiming the prior lien shall, before the recording of the mortgage or other contract lien or conveyance, file in the office of the county clerk of the county wherein he has furnished or expects to furnish labor or materials, a statement showing that he has furnished or expects to furnish labor or materials, and the amount in full thereof. The lien shall not, as against the holder of a mortgage or other contract lien or conveyance, exceed the amount of the lien claimed or expected to be claimed as set forth in the statement. The statement shall, in other respects, be in the form prescribed by KRS 376.080.

(3) No person who has not contracted directly with the owner or his agent shall acquire a lien under this section unless he notifies in writing the owner of the property to be held liable or his authorized agent, within seventy-five (75) days on claims amounting to less than $1,000 and one hundred twenty (120) days on claims in excess of $1,000 after the last item of material or labor is furnished, of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent within the county in which the property to be held liable is located.

(4) No person who has not contracted directly with the owner or his authorized agent shall acquire a lien under this section on an owner-occupied single or double family dwelling, the appurtenances or additions thereto, or upon other improvements for agricultural or personal use to the real property or real property contiguous thereto and held by the same owner, upon which the owner-occupant's dwelling is located, unless he notifies in writing the owner of the property to be held liable or his authorized agent not more than ***seventy-five (75)***[~~forty-five (45)~~] days after the last item of material or labor is furnished, of the delivery of the material or performance of labor and of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent. This notice is in lieu of the notice provided for in subsection (3). Notwithstanding the foregoing provisions of this subsection, the lien provided for under this section shall not be applicable to the extent that an owner-occupant of a single or double family dwelling or owner of other property as described in this subsection has, prior to receipt of the notice provided for in this subsection, paid the contractor, subcontractor, architect, or authorized agent for work performed or materials furnished prior to such payment. The contractor or subcontractor cannot be the authorized agent under this subsection. This subsection shall apply to the construction of single or double family homes constructed pursuant to a construction contract with a property owner and intended for use as the property owner's dwelling.

(5) For purposes of this section, "labor" includes but is not limited to, all supplies and work done by teams, trucks, machinery, and mechanical equipment, whether the owner furnishes a driver or operator or not.

(6) (a) "Supplies" includes small tools and equipment reasonably necessary in performing the work required to be done, including picks, shovels, sledge hammers, axes, pulleys, wire cables, ropes, and other similar items costing not more than fifty dollars ($50) per item, and tires and tubes furnished for use on vehicles engaged in the performance of the work.

(b) "Supplies" also includes the cost of labor, materials, and repair parts supplied or furnished for keeping all machinery and equipment used in the performance of the work in good operating condition; and shall include the agreed or reasonable rental price of equipment and machinery used in performing the work to be done:

1. The lien for rental equipment or machinery shall not be more than the aggregate sum of six (6) months' rental, and the aggregate amount of such rental shall not exceed sixty percent (60%) of the agreed value of the machinery or equipment; and

2. The liens for supplies as defined in this subsection are subordinate to the liens for labor, material, and supplies as defined in this section.

HB 183, AN ACT relating to the Crime Victims Compensation Board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 346.020 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Board" means the Crime Victims Compensation Board;

(2) "Child" means any person less than eighteen (18) years of age;

(3) "Claimant" means any of the following claiming compensation under this chapter: a victim, a dependent of a deceased victim, a third person other than a collateral source, or an authorized person acting on behalf of any of them who is legally

responsible for the expenses incurred by the victim as a result of the crime committed against the victim;

(4) "Criminally injurious conduct" means conduct that occurs or is attempted in this jurisdiction, poses a substantial threat of personal physical, psychological injury,[~~ or~~] death, ***or the theft, destruction, or damage to medically necessary equipment or prosthetic devices,*** and is punishable by fine, imprisonment, or death. Criminally injurious conduct shall include an act of terrorism, as defined in 18 U.S.C. sec. 2331, committed outside of the United States against a resident of Kentucky. Acts which, but for the insanity or mental irresponsibility or lack of capacity of the perpetrator, would constitute criminal conduct shall be deemed to be criminally injurious conduct. The operation of a motor vehicle, motorcycle, train, boat, aircraft, or other vehicle in violation of law does not constitute[~~ a~~] criminally injurious conduct unless the injury or death was intentionally inflicted***,***[~~ or~~] involved a violation of KRS 189A.010, ***resulted in a felony conviction, or the injury or death was inflicted upon a pedestrian or other bystander not in a motor vehicle, motorcycle, train, boat, aircraft, or other vehicle***[~~ driving under the influence~~];

(5) "Family," when used with reference to a person, shall mean:

(a) Any person related to such person within the third degree of consanguinity;

(b) Any person maintaining a sexual relationship with such person; or

(c) Any person residing in the same household with such person; and

(6) (a) "Victim" means a[~~ needy~~] person who suffers personal physical or psychological injury or death from a criminal act in Kentucky as a result of:

1. Criminally injurious conduct;
2. A good faith effort to prevent criminally injurious conduct; or
3. A good faith effort to apprehend a person reasonably suspected of engaging in criminally injurious conduct.

(b) "Victim" shall also mean a resident who is a victim of a crime occurring outside this state if:

1. The crime would be compensable had it occurred inside this state; and
2. The crime occurred in a state ***or a country other than the United States*** which does not have a crime victim compensation program, for which the victim is eligible as eligibility is set forth in KRS 346.050.

(c) "Victim" shall also mean a resident of this state who is injured or killed by an act of terrorism, as defined in 18 U.S.C. sec. 2331, committed outside the United States.

Section 2. KRS 346.100 is amended to read as follows:

Following the initial filing of a claim, if a claimant or victim does not take such further steps as may be necessary to support or perfect the claim as may be required by the board within thirty (30) days after such requirement is made by the board, the claimant or victim shall be deemed in default. In such case the board ***may***[~~shall~~] summarily deny the claim and the claimant or victim ***may***[~~shall~~] be forever barred from reasserting the claim. The board may remit such proceedings on good cause shown that the failure to take the steps required by the board was totally and completely beyond the control of the claimant or victim.

Section 3. KRS 346.130 is amended to read as follows:

(1) No award shall be made unless the board or board member, as the case may be, finds that:

(a) Criminally injurious conduct occurred;

(b) Such criminally injurious conduct resulted in personal physical or psychological injury to, or death of, the victim; and

(c) Police ***or court*** records show that such crime was promptly reported to the proper authorities; and in no case may an award be made where the police ***or court*** records show that such report was made more than forty-eight (48) hours after the occurrence of such crime unless the board, for good cause shown, finds the delay ***in filing a report or failure to file a report*** to have been justified.

(2) The board upon finding that the claimant or victim has not fully cooperated with appropriate law enforcement agencies shall deny, reconsider, or reduce an award.

(3) Any award made pursuant to this chapter shall be in an amount not exceeding out-of-pocket expenses, including indebtedness reasonably incurred for medical***, dental,*** or other services, including mental health counseling, necessary as a result of the injury upon which the claim is based, together with loss of earnings or support resulting from such injury. ***The board may include reimbursement for mileage at the rate provided for state employees incurred by a victim who is required to travel more than forty (40) miles from the victim's residence to obtain medical treatment or mental health counseling.*** Mental health counseling shall be paid for a maximum of two (2) years, but only after proper documentation is submitted to the board stating what treatment is planned and for what period of time. The board shall have the power to discontinue mental health counseling at any time within the two (2) year period. ***The board may, by promulgation of administrative regulations, set maximum rates for reimbursement of mental health services.*** Replacement of eyeglasses and other corrective lenses***, dentures, medically necessary equipment or prosthetic devices*** shall be included in an award, provided they were ***stolen, destroyed,***[~~broken~~] or damaged during the crime.

(4) Any award made for loss of earnings or support shall, unless reduced pursuant to other provisions of this chapter be in an

amount equal to the actual loss sustained[~~; provided, however, that no such award shall exceed one hundred fifty dollars ($150) for each week of lost earnings or support~~]. The claimant or victim must have been employed at the time the crime occurred ***or lost the financial benefit of state or federal unemployment compensation due to the crime's impact***. Said employment shall be verified by the staff of the board after information is provided by the claimant or victim. Should the claimant or victim fail to supply the board with the information requested, the portion of the claim for lost wages or support shall be denied. If there are two (2) or more persons entitled to an award as a result of the injury or death of a person which is the direct result of criminally injurious conduct, the award shall be apportioned by the board among the claimants.

(5) The board is authorized to set a reasonable limit for the payment of funeral and burial expenses which shall include funeral costs, a monument, and grave plot. In no event shall an award for funeral expenses exceed five thousand dollars ($5,000).

(6) Any award made under this chapter shall not exceed twenty-five thousand dollars ($25,000) ***in total compensation to be received by a claimant from the fund***.

(7) No award shall be made for any type of property loss or damage***, except where otherwise allowed in this chapter***.

Section 4. KRS 346.140 is amended to read as follows:

(1) ***(a) A claimant shall not receive compensation from the fund for the amount of damages covered by***[~~Any award made pursuant to this chapter shall be reduced by the amount of any~~] payments received[~~ or to be received~~] by the claimant as a result of the injury from the following sources:

1.[~~(a)~~] From or on behalf of the person who committed the crime;

2.[~~(b)~~] Under insurance programs mandated by law;

3.[~~(c)~~] From public funds ***or community donations***;

4.[~~(d)~~] Under any contract of insurance ***in excess of ten thousand dollars ($10,000)*** wherein the claimant is the insured or beneficiary; and

5.[~~(e)~~] As an emergency award pursuant to KRS 346.120.

(b) The claimant may still receive compensation from the fund for those damages for which no payment has been received, up to the maximum amount as set out in subsection (6) of Section (3) of this Act.

(2) In determining the amount of an award, the board or board member, as the case may be shall determine whether, because of his conduct, the victim of such crime contributed to the infliction of his injury, and the board or board member shall reduce the amount of the award or reject the claim altogether, in accordance with such determination; provided, however, that the board or board member, as the case may be, may disregard for this purpose the responsibility of the victim for his own injury where the record shows that such responsibility was attributable to efforts by the victim to prevent a crime or an attempted crime from occurrence in his presence or to apprehend a person who had committed a crime in his presence or had in fact committed a felony. The board or board members may request that either the county attorney or Commonwealth's attorney or both state whether in their opinion, the victim suffered injuries as the result of a crime and has cooperated with the prosecution and law enforcement authorities. The board or board member shall not be bound by such opinions and recommendations and if needed may order a further investigation of the claim.

(3) The board or board member may consider whether the claimant's injuries were the ordinary and foreseeable result of unlawful and criminal activities in determining the claimant's eligibility for an award.[~~ If the board or board member, as the case may be, finds that the claimant will not suffer serious financial hardships, as a result of the loss of earnings or support and the out-of-pocket expenses incurred as a result of the injury, if not granted financial assistance pursuant to this chapter to meet such loss of earnings, support or out-of-pocket expenses, the board or board member shall deny an award. In determining such serious financial hardship, the board or board member shall consider all of the financial resources of the claimant. The board shall establish specific standards by rule for determining such serious financial hardships.~~]

Section 5. KRS 346.180 is amended to read as follows:

(1) Any payment of benefits to or on behalf of a victim under this chapter creates a debt due and owing to the state by any person found to have committed such criminal act in either a civil or criminal court proceeding in which he is a party.

(2) The court when placing any convicted person, who owes a debt to the state as a consequence of a criminal act, on probation and conditional discharge as provided in KRS 533.020 ***shall***[~~may~~] set as a condition of the probation or conditional discharge the payment of the debt ***as restitution*** to the state. The court also may set the schedule or amounts of payments to be made subject to modification based on change of circumstances.

(3) The parole board shall[~~ also have the right to~~] make payment of the debt ***as restitution*** to the state a condition of parole under the provisions of KRS Chapter 439 subject to modification based on change of circumstances.

The Committee Substitute to **HB 183** is as follows:

HB 183, AN ACT relating to the Crime Victims Compensation Board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 346.020 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Board" means the Crime Victims Compensation Board;

(2) "Child" means any person less than eighteen (18) years of age;

(3) "Claimant" means any of the following claiming compensation under this chapter: a victim, a dependent of a deceased victim, a third person other than a collateral source, or an authorized person acting on behalf of any of them who is legally responsible for the expenses incurred by the victim as a result of the crime committed against the victim;

(4) "Criminally injurious conduct" means conduct that occurs or is attempted in this jurisdiction, poses a substantial threat of personal physical, psychological injury,~~[or]~~ death, ***or the theft, destruction, or damage to medically necessary equipment or prosthetic devices,*** and is punishable by fine, imprisonment, or death. Criminally injurious conduct shall include an act of terrorism, as defined in 18 U.S.C. sec. 2331, committed outside of the United States against a resident of Kentucky. Acts which, but for the insanity or mental irresponsibility or lack of capacity of the perpetrator, would constitute criminal conduct shall be deemed to be criminally injurious conduct. The operation of a motor vehicle, motorcycle, train, boat, aircraft, or other vehicle in violation of law does not constitute~~[a]~~ criminally injurious conduct unless the injury or death was intentionally inflicted***,***~~[or]~~ involved a violation of KRS 189A.010, ***resulted in a felony conviction, or the injury or death was inflicted upon a pedestrian or other bystander not in a motor vehicle, motorcycle, train, boat, aircraft, or other vehicle***~~[driving under the influence]~~;

(5) "Family," when used with reference to a person, shall mean:

- (a) Any person related to such person within the third degree of consanguinity;
- (b) Any person maintaining a sexual relationship with such person; or
- (c) Any person residing in the same household with such person; and

(6) (a) "Victim" means a~~[needy]~~ person who suffers personal physical or psychological injury or death from a criminal act in Kentucky as a result of:

  1. Criminally injurious conduct;
  2. A good faith effort to prevent criminally injurious conduct; or
  3. A good faith effort to apprehend a person reasonably suspected of engaging in criminally injurious conduct.

(b) "Victim" shall also mean a resident who is a victim of a crime occurring outside this state if:

  1. The crime would be compensable had it occurred inside this state; and
  2. The crime occurred in a state ***or a country other than the United States*** which does not have a crime victim compensation program, for which the victim is eligible as eligibility is set forth in KRS 346.050.

(c) "Victim" shall also mean a resident of this state who is injured or killed by an act of terrorism, as defined in 18 U.S.C. sec. 2331, committed outside the United States.

Section 2. KRS 346.100 is amended to read as follows:

Following the initial filing of a claim, if a claimant or victim does not take such further steps as may be necessary to support or perfect the claim as may be required by the board within thirty (30) days after such requirement is made by the board, the claimant or victim shall be deemed in default. In such case the board ***may***~~[shall]~~ summarily deny the claim and the claimant or victim ***may***~~[shall]~~ be forever barred from reasserting the claim. The board may remit such proceedings on good cause shown that the failure to take the steps required by the board was totally and completely beyond the control of the claimant or victim.

Section 3. KRS 346.130 is amended to read as follows:

(1) No award shall be made unless the board or board member, as the case may be, finds that:

- (a) Criminally injurious conduct occurred;
- (b) Such criminally injurious conduct resulted in personal physical or psychological injury to, or death of, the victim; and
- (c) Police ***or court*** records show that such crime was promptly reported to the proper authorities; and in no case may an award be made where the police ***or court*** records show that such report was made more than forty-eight (48) hours after the occurrence of such crime unless the board, for good cause shown, finds the delay ***in filing a report or failure to file a report*** to have been justified.

(2) The board upon finding that the claimant or victim has not fully cooperated with appropriate law enforcement agencies shall deny, reconsider, or reduce an award.

(3) Any award made pursuant to this chapter shall be in an amount not exceeding out-of-pocket expenses, including

indebtedness reasonably incurred for medical***, dental,*** or other services, including mental health counseling, necessary as a result of the injury upon which the claim is based, together with loss of earnings or support resulting from such injury. ***The board may include reimbursement for mileage at the rate provided for state employees incurred by a victim who is required to travel more than forty (40) miles from the victim's residence to obtain medical or dental treatment or mental health counseling.*** Mental health counseling shall be paid for a maximum of two (2) years, but only after proper documentation is submitted to the board stating what treatment is planned and for what period of time. The board shall have the power to discontinue mental health counseling at any time within the two (2) year period. ***The board may, by promulgation of administrative regulations, set maximum rates for reimbursement of mental health services.*** Replacement of eyeglasses and other corrective lenses***, dentures, medically necessary equipment or prosthetic devices*** shall be included in an award, provided they were ***stolen, destroyed,***[~~broken~~] or damaged during the crime.

(4) Any award made for loss of earnings or support shall, unless reduced pursuant to other provisions of this chapter be in an amount equal to the actual loss sustained[~~; provided, however, that no such award shall exceed one hundred fifty dollars ($150) for each week of lost earnings or support~~]. The claimant or victim must have been employed at the time the crime occurred ***or lost the financial benefit of state or federal unemployment compensation due to the crime's impact***. Said employment shall be verified by the staff of the board after information is provided by the claimant or victim. Should the claimant or victim fail to supply the board with the information requested, the portion of the claim for lost wages or support shall be denied. If there are two (2) or more persons entitled to an award as a result of the injury or death of a person which is the direct result of criminally injurious conduct, the award shall be apportioned by the board among the claimants.

(5) The board is authorized to set a reasonable limit for the payment of funeral and burial expenses which shall include funeral costs, a monument, and grave plot. In no event shall an award for funeral expenses exceed five thousand dollars ($5,000).

(6) Any award made under this chapter shall not exceed twenty-five thousand dollars ($25,000) ***in total compensation to be received by a claimant from the fund***.

(7) No award shall be made for any type of property loss or damage***, except where otherwise allowed in this chapter***.

Section 4. KRS 346.140 is amended to read as follows:

(1) ***(a) A claimant shall not receive compensation from the fund for the amount of damages covered by***[~~Any award made pursuant to this chapter shall be reduced by the amount of any~~] payments received[~~ or to be received~~] by the claimant as a result of the injury from the following sources:

1.[~~(a)~~] From or on behalf of the person who committed the crime;

2.[~~(b)~~] Under insurance programs mandated by law;

3.[~~(c)~~] From public funds;

4.[~~(d)~~] Under any contract of insurance ***in excess of ten thousand dollars ($10,000)*** wherein the claimant is the insured or beneficiary; and

5.[~~(e)~~] As an emergency award pursuant to KRS 346.120.

(b) The claimant may still receive compensation from the fund for those damages for which no payment has been received, up to the maximum amount as set out in subsection (6) of Section (3) of this Act.

(2) In determining the amount of an award, the board or board member, as the case may be shall determine whether, because of his conduct, the victim of such crime contributed to the infliction of his injury, and the board or board member shall reduce the amount of the award or reject the claim altogether, in accordance with such determination; provided, however, that the board or board member, as the case may be, may disregard for this purpose the responsibility of the victim for his own injury where the record shows that such responsibility was attributable to efforts by the victim to prevent a crime or an attempted crime from occurrence in his presence or to apprehend a person who had committed a crime in his presence or had in fact committed a felony. The board or board members may request that either the county attorney or Commonwealth's attorney or both state whether in their opinion, the victim suffered injuries as the result of a crime and has cooperated with the prosecution and law enforcement authorities. The board or board member shall not be bound by such opinions and recommendations and if needed may order a further investigation of the claim.

(3) The board or board member may consider whether the claimant's injuries were the ordinary and foreseeable result of unlawful and criminal activities in determining the claimant's eligibility for an award.[~~ If the board or board member, as the case may be, finds that the claimant will not suffer serious financial hardships, as a result of the loss of earnings or support and the out of pocket expenses incurred as a result of the injury, if not granted financial assistance pursuant to this chapter to meet such loss of earnings, support or out-of-pocket expenses, the board or board member shall deny an award. In determining such serious financial hardship, the board or board member shall consider all of the financial resources of the claimant. The board shall establish specific standards by rule for determining such serious financial hardships.~~]

Section 5. KRS 346.180 is amended to read as follows:

(1) Any payment of benefits to or on behalf of a victim under this chapter creates a debt due and owing to the state by any person found to have committed such criminal act in either a civil or criminal court proceeding in which he is a party.

(2) The court when placing any convicted person, who owes a debt to the state as a consequence of a criminal act, on

probation and conditional discharge as provided in KRS 533.020 may set as a condition of the probation or conditional discharge the payment of the debt ***as restitution*** to the state. The court also may set the schedule or amounts of payments to be made subject to modification based on change of circumstances.

(3) The parole board ***may***[~~ shall~~] also[~~ have the right to~~] make payment of the debt ***as restitution*** to the state a condition of parole under the provisions of KRS Chapter 439 subject to modification based on change of circumstances.

HB 201, AN ACT relating to assumed business names.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 365.015 is amended to read as follows:

(1) The real name of an individual shall include his or her surname at birth, or his or her name as changed by a court of competent jurisdiction, or the surname of a married woman; the real name of a domestic general partnership is that name which includes the real name of each of the partners; the real name of a registered limited liability partnership is the name stated in its statement of registered limited liability partnership filed under KRS Chapter 362; the real name of a domestic limited partnership is that name stated in its certificate of limited partnership filed pursuant to KRS Chapter 362; the real name of a domestic business trust is the name set forth in the declaration of trust; the real name of a domestic corporation is the name set forth in its articles of incorporation; and the real name of a domestic limited liability company is the name set forth in its articles of organization. The real name of a foreign general partnership, including a foreign registered limited liability partnership, or limited partnership and of a foreign business trust is the name recognized by the laws of the foreign state under which it is formed as being the real name or the fictitious name adopted for use in this state; the real name of a foreign registered limited liability partnership is the name stated in its statement of foreign registered limited liability partnership filed under KRS Chapter 362; the real name of a foreign corporation is the name set forth in its articles of incorporation or the fictitious name adopted for use in this state under KRS 271B.15-060; and the real name of a foreign limited liability company is the name set forth in its articles of organization or the fictitious name adopted for use in this state under KRS 275.410.

(2) (a) No individual, general partnership, including a registered limited liability partnership, limited partnership, business trust, corporation, or limited liability company shall conduct or transact business in this state under an assumed name or any style other than his or its real name, as defined in subsection (1) of this section, unless such individual, partnership, limited partnership, business trust, corporation, or limited liability company has filed a certificate of assumed name;

(b) The certificate shall state the assumed name under which the business will be conducted or transacted, the real name of the individual, partnership, limited partnership, business trust, corporation, or limited liability company and his or its address, including street and number, if any;

(c) A separate certificate shall be filed for each assumed name;

(d) No certificate to be filed with the Secretary of State shall set forth an assumed name which is not distinguishable upon the records of the Secretary of State from any other name previously filed and on record with the Secretary of State;

(e) The certificate shall be executed for an individual, by the individual; for a general partnership, including a registered limited liability partnership, by at least one (1) partner authorized to do so by the partners; for a limited partnership, by a general partner; for a business trust, by the trustees; for a corporation, by any person authorized to act for the corporation; and for a limited liability company, by a member or manager authorized to act for the limited liability company.

(3) The certificate of assumed name for an individual shall be filed with the county clerk where the person is deemed a resident under the provisions of KRS 186A.190(2)(a) to (j). The certificate of assumed name for a general partnership, including a registered limited liability partnership, limited partnership, business trust, corporation, or limited liability company shall be delivered to the Secretary of State for filing, accompanied by one (1) exact or conformed copy. One (1) of the exact or conformed copies stamped as "filed" by the Secretary of State shall be filed with the county clerk of the county where the entity is deemed a resident under the provisions of KRS 186A.190(2)(a) to (j). If the entity is not deemed a resident of a county in the Commonwealth, the entity shall file only with the Secretary of State.

(4) ***(a)*** An assumed name shall be effective for a term of five (5) years from the date of registration and may be renewed for successive terms upon filing a renewal certificate within six (6) months prior to the expiration of the term, in the same manner of filing the original certificate as set out in subsection (3) of this section. Any certificate in effect on July 15, 1998, shall continue in effect for five (5) years and may be renewed by filing a renewal certificate with the Secretary of State.

(b) 1. Not more than seven (7) months and not less than six (6) months prior to the expiration of the term for a certificate filed by an individual under subsection (3) of this section, the county clerk for the county where the original certificate was filed shall remind the individual of the renewal certificate requirements established in paragraph (a) of this subsection. The reminder shall take the form of a letter sent to the individual's last known address.

2. Not more than seven (7) months and not less than six (6) months prior to the expiration of the term for a certificate filed by a general partnership, including a registered limited liability partnership, limited partnership, business trust, corporation, or limited liability company under subsection (3) of this section, the Secretary of State shall remind the relevant business entity of the renewal certificate requirements established in paragraph (a) of this subsection. The reminder shall take the form of a letter sent to the entity's last known address.

(5) Upon discontinuing the use of an assumed name, the certificate shall be withdrawn by filing a certificate in the office wherein the original certificate of assumed name was filed. The certificate of withdrawal shall state the assumed name, the real name and address of the party transacting business and the date upon which the original certificate was filed. The certificate of withdrawal shall be signed for a general partnership, including a registered limited liability partnership, by at least one (1) partner authorized to do so by the partners, for a limited partnership by a general partner, for a business trust by the trustees, for a corporation by any person authorized to act for the corporation, and for a limited liability company by a member or manager authorized to act for the limited liability company.

(6) A general partnership shall amend an assumed name to reflect a change in the identity of partners. The amendment shall set forth:

(a) The assumed name and date of original filing;

(b) A statement setting out the changes in identity of the partners; and

(c) Shall be signed by at least one (1) partner authorized to do so by the partners.

(7) The county clerk shall receive a fee pursuant to KRS 64.012 for filing each certificate, and the Secretary of State shall receive a fee of twenty dollars ($20) for filing each certificate, amendment, and renewal certificate.

The Committee Substitute to **HB 201** is as follows:

HB 201, AN ACT relating to assumed business names.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 365.015 is amended to read as follows:

(1) The real name of an individual shall include his or her surname at birth, or his or her name as changed by a court of competent jurisdiction, or the surname of a married woman; the real name of a domestic general partnership is that name which includes the real name of each of the partners; the real name of a[~~ registered~~] limited liability partnership is the name stated in its statement of registered limited liability partnership filed under KRS ***362.555***[~~Chapter 362~~]; the real name of a domestic limited partnership is that name stated in its certificate of limited partnership[~~ filed pursuant to KRS Chapter 362~~]; the real name of a domestic business trust is the name set forth in the declaration of trust; the real name of a domestic corporation is the name set forth in its articles of incorporation; and the real name of a domestic limited liability company is the name set forth in its articles of organization. The real name of a foreign general partnership, including a foreign[~~ registered~~] limited liability partnership, or limited partnership ***or***[~~and~~] of a foreign business trust is the name recognized by the laws of the foreign state under which it is formed as being the real name or the fictitious name adopted for use in this state;[~~ the real name of a foreign registered limited liability partnership is the name stated in its statement of foreign registered limited liability partnership filed under KRS Chapter 362;~~] the real name of a foreign corporation is the name set forth in its articles of incorporation or the fictitious name adopted for use in this state under KRS 271B.15-060; and the real name of a foreign limited liability company is the name set forth in its articles of organization or the fictitious name adopted for use in this state under KRS 275.410.

(2) (a) No individual, general partnership, including a[~~ registered~~] limited liability partnership, limited partnership, business trust, corporation, or limited liability company shall conduct or transact business in this state under an assumed name or any style other than his or its real name, as defined in subsection (1) of this section, unless such individual, partnership, limited partnership, business trust, corporation, or limited liability company has filed a certificate of assumed name;

(b) The certificate shall state the assumed name under which the business will be conducted or transacted, the real name of the individual, partnership, limited partnership, business trust, corporation, or limited liability company and his or its address, including street and number, if any;

(c) A separate certificate shall be filed for each assumed name;

(d) No certificate to be filed with the Secretary of State shall set forth an assumed name which is not distinguishable upon the records of the Secretary of State from any other name previously filed and on record with the Secretary of State;

(e) The certificate shall be executed for an individual, by the individual; for a general partnership, including a registered limited liability partnership, by at least one (1) partner authorized to do so by the partners; for a limited partnership, by a general partner; for a business trust, by ***a trustee***[~~the trustees~~]; for a corporation, by any person authorized to act for the corporation; and for a limited liability company, by a member or manager authorized to act for the limited liability company.

(3) ***Each***~~[The]~~ certificate of assumed name for an individual shall be filed with the county clerk where the person ***maintains his or her principal place of business***~~[is deemed a resident under the provisions of KRS 186A.190(2)(a) to (j)]~~. ***Each***~~[The]~~ certificate of assumed name for a general partnership, including a registered limited liability partnership, limited partnership, business trust, corporation, or limited liability company shall be delivered to the Secretary of State for filing, accompanied by one (1) exact or conformed copy. One (1) of the exact or conformed copies stamped as "filed" by the Secretary of State shall be filed with the county clerk of the county where the entity ***maintains its registered agent for service of process or, if no registered agent for service of process is required, with the county clerk of the county where the entity maintains its principal office***~~[is deemed a resident under the provisions of KRS 186A.190(2)(a) to (j)]~~. If the entity ***does not maintain a registered agent for service of process and does not maintain a principal office***~~[is not deemed a resident of a county]~~ in the Commonwealth, the ***certificate of assumed name***~~[entity]~~ shall ***be filed***~~[file]~~ only with the Secretary of State.

(4) ***(a)*** An assumed name ***filed with the Secretary of State*** shall be effective for a term of five (5) years from the date of ***filing***~~[registration]~~ and may be renewed for successive terms upon filing a renewal certificate within six (6) months prior to the expiration of the term, in the same manner of filing the original certificate as set out in subsection (3) of this section. Any certificate in effect on July 15, 1998, shall continue in effect for five (5) years and may be renewed by filing a renewal certificate with the Secretary of State.

(b) Not more than seven (7) months and not less than six (6) months prior to the expiration of the term of a certificate of assumed name filed by a general partnership, including a registered limited liability partnership, limited partnership, business trust, corporation, or limited liability company under subsection (3) of this section, the Secretary of State shall serve the general partnership, including a registered limited liability partnership, limited partnership, business trust, corporation, or limited liability company with written notice of the requirements for the renewal of the certificate of assumed name, as set forth in paragraph (a) of this subsection, by mailing notice by first class mail to the general partnership, including a registered limited liability partnership, limited partnership, business trust, corporation, or limited liability company at the principal office address of record with the Secretary of State, or, if there is no principal office of record with the Secretary of State, the address set forth in the certificate of assumed name.

(c) This subsection shall not apply to a certificate of assumed name filed by an individual with the appropriate county clerk.

(5) Upon discontinuing the use of an assumed name, the certificate shall be withdrawn by filing a certificate in the office wherein the original certificate of assumed name was filed. The certificate of withdrawal shall state the assumed name, the real name and address of the party ***formerly*** transacting business ***under the assumed name*** and the date upon which the original certificate was filed. The certificate of withdrawal shall be signed for a general partnership, including a registered limited liability partnership, by at least one (1) partner authorized to ***act for the partnership***~~[do so by the partners]~~, for a limited partnership by a general partner, for a business trust by ***a trustee***~~[the trustees]~~, for a corporation by any person authorized to act for the corporation, and for a limited liability company by a member or manager authorized to act for the limited liability company.

(6) A general partnership***, except a limited liability partnership,*** shall amend an assumed name to reflect a change in the identity of partners. The amendment shall set forth:

(a) The assumed name and date of original filing;

(b) A statement setting out the changes in identity of the partners; and

(c) Shall be signed by at least one (1) partner authorized to do so by the partners.

(7) ***The filing of a certificate of assumed name shall not automatically prevent the use of that name or protect that name from use by other persons except, if such assumed named is filed and on record with the Secretary of State, the Secretary of State may thereafter refuse to accept for filing a document from another person containing an indistinguishable name.***

(8) Each certificate of assumed name filed by an individual already of record with the appropriate county clerk also may be filed with the Secretary of State so long as the assumed name is distinguishable upon the records of the Secretary of State from any other name previously filed and on record with the Secretary of State. No filing by the Secretary of State of a certificate of assumed name filed by an individual shall invalidate any certificate of assumed name filed by an individual with the county clerk in accordance with KRS 365.015(3) or render the certificate of assumed name subject to subsection (4) of this section.

(9) The county clerk shall receive a fee pursuant to KRS 64.012 for filing each certificate, and the Secretary of State shall receive a fee of twenty dollars ($20) for filing each certificate, amendment, and renewal certificate.

The Committee Amendment No. 1 Title to **HB 201** is as follows:

Amend the title to read as follows: "AN ACT relating to business names."

HB 338, AN ACT relating to body armor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 16.220 is amended to read as follows:

(1) Subject to the duty to return confiscated firearms to innocent owners pursuant to KRS 500.090, all firearms confiscated by the Kentucky State Police and not retained for official use pursuant to KRS 500.090 shall be sold at public auction to federally licensed firearms dealers holding a license appropriate for the type of firearm sold. The Kentucky State Police shall transfer firearms that are to be sold to the Department of Finance, Division of Surplus Property, for sale. Proceeds of the sale shall be transferred to the account of the Department for Local Government for use as provided in subsection (3) of this section. Prior to the sale of any firearm, the Kentucky State Police shall make an attempt to determine if the firearm to be sold has been stolen or otherwise unlawfully obtained from an innocent owner and return the firearm to its lawful innocent owner, unless that person is ineligible to purchase a firearm under federal law.

(2) The Kentucky State Police shall receive firearms and ammunition confiscated by or abandoned to every law enforcement agency in Kentucky. The Kentucky State Police shall dispose of the firearms received in the manner specified in subsection (1) of this section. However, firearms which are not retained for official use, returned to an innocent lawful owner, or transferred to another government agency or public museum shall be sold as provided in subsections (1) and (3) of this section.

(3) The proceeds of firearms sales shall be utilized by the Department for Local Government to provide grants to city, county, charter county, and urban-county police ***departments, university safety and security departments organized pursuant to KRS 164.950,***[~~and~~] sheriff's departments for the purchase of body armor for sworn peace officers of those departments. Body armor purchased by the department receiving grant funds shall meet or exceed the standards issued by the National Institute of Justice for body armor. No police or sheriff's department shall apply for a grant to replace existing body armor unless that body armor has been in actual use for a period of five (5) years or longer.

(4) The Kentucky State Police may transfer a machine gun, short-barreled shotgun, short-barreled rifle, silencer, pistol with a shoulder stock, any other weapon, or destructive device as defined by the National Firearms Act which is subject to registration under the National Firearms Act, and is not properly registered in the national firearms transfer records for those types of weapons, to the Bureau of Alcohol, Tobacco, and Firearms of the United States Department of the Treasury, after a reasonable attempt has been made to transfer the firearm to an eligible state or local law enforcement agency or to an eligible museum and no eligible recipient will take the firearm or weapon. National Firearms Act firearms and weapons which are properly registered and not returned to an innocent lawful owner or retained for official use as provided in this section shall be sold to properly licensed dealers under subsection (3) of this section.

Section 2. KRS 45A.047 is amended to read as follows:

(1) When an agency of Kentucky state government ***or a public university safety and security department organized pursuant to KRS 164.950*** disposes of firearms or ammunition owned by that agency, the disposition shall be by:

(a) Public auction to persons who are eligible under federal law to purchase the type of firearm or ammunition;

(b) Trade to the federally licensed firearms dealer providing new firearms or ammunition to the agency;

(c) Transfer to another government agency or government-operated museum in Kentucky for official use or display; or

(d) Sale to a retiring employee as authorized by law.

(2) If the firearms or ammunition are sold, the proceeds of the sale shall be utilized solely for the purchase of body armor meeting or exceeding National Institute of Justice standards, firearms, ammunition, or range facilities, or a combination thereof, by the agency of government. The provisions of this subsection shall not apply to the Department of Fish and Wildlife.

HB 365, AN ACT relating to the small claims division of the District Court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 24A.230 is amended to read as follows:

(1) The small claims division shall have jurisdiction, concurrent with that of the District Court, in all civil actions, other than libel, slander, alienation of affections, malicious prosecution and abuse of process actions, when the amount of money or damages or the value of the personal property claimed does not exceed ***two thousand five hundred dollars ($2,500)***[~~one thousand five hundred dollars ($1,500)~~] exclusive of interest and costs.

(2) The division may also be used in civil matters when the plaintiff seeks to disaffirm, avoid, or rescind a contract or agreement for the purchase of goods or services not in excess of ***two thousand five hundred dollars ($2,500)***[~~one thousand five hundred dollars ($1,500)~~] exclusive of interest and costs.

(3) The division shall have authority to grant appropriate relief, except no prejudgment actions for attachment, garnishment, replevin or other provisional remedy may be filed in the division.

The Committee Substitute to **HB 365** is as follows:

HB 365, AN ACT relating to the small claims division of the District Court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 24A.230 is amended to read as follows:

(1) The small claims division shall have jurisdiction, concurrent with that of the District Court, in all civil actions, other than libel, slander, alienation of affections, malicious prosecution and abuse of process actions, when the amount of money or damages or the value of the personal property claimed does not exceed ***two thousand five hundred dollars ($2,500)***[~~one thousand five hundred dollars ($1,500)~~] exclusive of interest and costs.

(2) The division may also be used in civil matters when the plaintiff seeks to disaffirm, avoid, or rescind a contract or agreement for the purchase of goods or services not in excess of ***two thousand five hundred dollars ($2,500)***[~~one thousand five hundred dollars ($1,500)~~] exclusive of interest and costs.

(3) The division shall have authority to grant appropriate relief, except no prejudgment actions for attachment, garnishment, replevin or other provisional remedy may be filed in the division.

Section 2. KRS 24A.290 is amended to read as follows:

The defendant may file with the clerk a counterclaim against the plaintiff in an amount not in excess of ***two thousand five hundred dollars ($2,500)***[~~fifteen hundred dollars ($1,500)~~] exclusive of interest and costs, if the counterclaim arose out of the same transaction or occurrence that is the subject matter of the plaintiff's claim, and if the counterclaim does not require for its adjudication the presence of third parties over whom the division cannot acquire jurisdiction. Any counterclaim shall be filed with the clerk, and a copy delivered to the plaintiff at least five (5) days prior to the time of the hearing. If the defendant's counterclaim is in excess of the jurisdictional limits of the division, then the provisions of KRS 24A.310(1) shall apply.

Motions, Petitions, and Communications (Continued)

Representative Burch moved the adoption of the following **HR 91**:

HR 91, A RESOLUTION adjourning the House of Representatives in honor of the American Cancer Society.

WHEREAS, the American Cancer Society is the nationwide community-based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer through research, education, advocacy, and service. It is one of the oldest and largest voluntary health agencies in the United States, with over two million Americans united to conquer cancer through balanced programs of research, education, patient service, advocacy, and rehabilitation; and

WHEREAS, the American Cancer Society, Inc. consists of a National Society, with chartered divisions throughout the country and over 3,400 local units. The National Board of Directors provides basic representation from the divisions and additional representation on the basis of population. The National Society is responsible for overall planning and coordination of public and professional education, providing technical help and materials to divisions and units, and administering programs of research, medical grants, and clinical fellowships; and

WHEREAS, the divisions of the American Cancer Society are governed by volunteer members of Division Boards of Directors, both medical and lay persons, throughout the United States and Puerto Rico. More than 3,400 local units are organized to cover the counties and communities in the United States. There are thousands of community leaders who direct the Society's programs at this level. The Society's mission of cancer control is carried out by over two million volunteers nationwide who donate their time and services; and

WHEREAS, in 2001, the American Cancer Society estimated 3,400 new cases of lung cancer will be diagnosed among men and women in Kentucky, and 3,200 men and women will die of lung cancer in Kentucky; 2,900 new cases of breast cancer will be diagnosed among women in Kentucky, and 600 women will die of breast cancer in Kentucky; 2,200 new cases of colorectal cancer will be diagnosed among men and women in Kentucky, and 900 men and women will die of colorectal cancer in Kentucky; and 2,800 new cases of prostate cancer will be diagnosed among men in Kentucky, and 400 men will die of prostate cancer in Kentucky; and

WHEREAS, the goal of the American Cancer Society is to prevent cancer, save lives, and diminish suffering from cancer;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. This honorable body is indeed proud to recognize the American Cancer Society, and the many benefits it offers Kentuckians through research, education, patient service, advocacy, and rehabilitation.

Section 2. When the House of Representatives adjourns this day, it does so in honor of the American Cancer Society, and wishes to them success in all future endeavors.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Representative Tom Burch for presentation to the American Cancer Society.

There being no objection **HR 91** was adopted.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills have been posted for Committee consideration:

Health and Welfare: **HB 362**

Licensing and Occupations: **HB 116, HB 134, HB 436, HB 456, HB 511, HB 512, HB 513**

Representative Crimm moved to withdraw **HB 90**. Agreed.

Representative Rader moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Rader moved that she be recorded as voting "yea" on **HB 12** and **HB 67**. Agreed.

Representative Ford moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Ford moved that he be recorded as voting "yea" on **HB 12** and **HB 67**. Agreed.

Representative Upchurch moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Upchurch moved that he be recorded as voting "yea" on **HB 286, HB 287, HB 62, HB 202,** and **HB 65**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 to **HB 452**, by Representative Marzian:

On page 32, line 21, through page 35, line 5, by deleting Section 20 in its entirety; and

By renumbering subsequent sections accordingly; and

On page 37, line 14, through page 38, line 8, by deleting Section 23 in its entirety; and

By renumbering subsequent sections accordingly; and

On page 47, line 22, after "may" by deleting all new text and inserting "***, consistent with Sections 1, 4, 38, and 39 of this Act,***"; and

On page 56, line 10, by deleting "***37***" and inserting in lieu thereof "***35***"; and

On page 62, line 6, by deleting "***41***" and inserting in lieu thereof "***39***".

Floor Amendment No. 1 to the Committee Substitute to **HB 393**, by Representative Vincent:

On page 3, line 27 after "chapter," insert the following "***except for those records provided for in subsection (6) of this section,***".

Floor Amendment No. 1 to **HB 364**, by Representative C. Belcher:

On page 2, between lines 3 and 4, by inserting the following:

"***For purposes of this subsection, the practice of cosmetology or nail technology under paragraphs (a) and (b) of this subsection shall not include any procedures or treatments relating to or involving the feet.***".

Floor Amendment No. 1 to **HB 104**, by Representative Jenkins:

On page 1, by deleting lines 10 through 13 in their entity and inserting in lieu thereof:

"***(2) In a claim for compensation benefits under this chapter for heart or lung disease, or medical condition related thereto, it shall be presumed that the disease or condition is employment related if:***

(a) The person is a paid or volunteer firefighter; and

(b) Has served as a paid or volunteer firefighter for the five (5) consecutive years immediately preceding the filing of the claim."

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 20, Representatives Buckingham, Crenshaw, and Smith

HB 26, Representative Branham

HB 104, Representative J. Arnold

HB 195, Representative Branham

HB 200, Representative Branham

HB 207, Representative Palumbo

HB 269, Representative Buckingham

HB 271, Representative Buckingham

HB 285, Representative Stewart

HB 321, Representatives P. Clark and Horlander

HB 354, Representatives Haydon and Jenkins

HB 355, Representatives Branham, Haydon, and Jenkins

HB 365, Representative Branham

HB 374, Representatives P. Clark and Horlander

HB 410, Representatives P. Clark and Horlander

HB 413, Representatives Draud, Marzian, and Nunn

HB 473, Representative Thompson

HB 508, Representatives Vincent and Westrom

HB 519, Representative Branham

HCR 29, Representative Branham.

HCR 31, Representative Branham

The following member filed a request to have his name withdrawn as a co-sponsor of a Bill:

HB 497, Representative Comer.

Announcements

The following meetings were announced:

Majority Caucus: upon recess, Supreme Court Chambers

Minority Caucus: upon recess, Room 316

Transportation: Thursday, January 31, 2002, 10:00 a.m.

Adjournment

Representative Stumbo moved that the House adjourn until 12:00 p.m., on Thursday January 31, 2002.

The motion that the House adjourn until 12:00 p.m., Thursday January 31, 2002, was adopted by voice vote.

THURSDAY, JANUARY 31, 2002

SEVENTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Pastor David Green, Middletown United Methodist Church, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Ballard moved that the reading of the Journal of January 30, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Motions, Petitions, and Communications

Representative Geveden moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Geveden moved that he be recorded as voting "yea" on **HB 286** and **HB 287**. Agreed.

Introduction of Bills and Resolutions

HB 550, by Representative Nesler: AN ACT relating to the licensing of drivers.

HB 551, by Representative Kerr: AN ACT relating to guardians ad litem.

HB 552, by Representative Kerr: AN ACT relating to civil actions.

HB 553, by Representative Burch: AN ACT relating to children's physical health.

HB 554, by Representatives DeWeese and Damron: AN ACT relating to insurance.

HR 101, by Representative McKee: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Jean Marsh Palmer.

HJR 102, by Representative C. Belcher: A JOINT RESOLUTION renaming the Paris By-Pass in Bourbon County.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HCR 95**

Appropriations and Revenue: **HB 531, 547**

Economic Development: **HB 542, 549**

Education: **HB 529, HB 532**

Elections, Constitutional Amendments, and Intergovernmental Affairs: **HB 535, HJR 94**

Health and Welfare: **HB 544, 546, HCR 96**

Judiciary: **HB 541**

Labor and Industry: **HB 537**

Local Government: **HB 533, 534, 538, 540, 543, 548**

Natural Resources and Environment: **HB 536**

State Government: **HB 530, 545**

Tourism Development and Energy: **HJR 93**

Transportation: **HB 539, HJR 92**

House Floor: **HR 97, 98**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

State Government: **HB 214, HB 247, HB 299, HB 349, HB 427, HB 449**

Natural Resources: **HB 496**

Report of Committees

The Rules Committee Report reported that **HB 364** has been posted for passage in the Orders of the Day for February 1, 2002.

The Committee on Local Government reported **HB 124, HB 293** with Committee Substitute attached thereto, **HB 305, HB 314,** with Committee Substitute attached thereto, and **HB 390,** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 124, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.111 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Administrative official" means any department, employee, or advisory, elected or appointed body which is authorized to administer any provision of the zoning regulation, subdivision regulations, and if delegated, any provision of any housing or building regulation or any other land use control regulation;

(2) "Agricultural use" means the use of a tract of at least five (5) contiguous acres for the production of agricultural or horticultural crops, including but not limited to livestock, livestock products, poultry, poultry products, grain, hay, pastures, soybeans, tobacco, timber, orchard fruits, vegetables, flowers or ornamental plants, including provision for dwellings for persons and their families who are engaged in the above agricultural use on the tract, but not including residential building development for sale or lease to the public, and shall also include, regardless of the size of the tract of land used, small wineries licensed under KRS 243.155, and farm wineries licensed under the provisions of KRS 243.156;

(3) "Board" means the board of adjustment unless the context indicates otherwise;

(4) "Citizen member" means any member of the planning commission or board of adjustment who is not an elected or appointed official or employee of the city or county;

(5) "Commission" means planning commission;

(6) "Conditional use" means a use which is essential to or would promote the public health, safety, or welfare in one (1) or more zones, but which would impair the integrity and character of the zone in which it is located, or in adjoining zones, unless restrictions on location, size, extent, and character of performance are imposed in addition to those imposed in the zoning regulation;

(7) "Conditional use permit" means legal authorization to undertake a conditional use, issued by the administrative official pursuant to authorization by the board of adjustment, consisting of two (2) parts:

   (a) A statement of the factual determination by the board of adjustment which justifies the issuance of the permit; and

   (b) A statement of the specific conditions which must be met in order for the use to be permitted;

(8) "Development plan" means written and graphic material for the provision of a development, including any or all of the following: location and bulk of buildings and other structures, intensity of use, density of development, streets, ways, parking facilities, signs, drainage of surface water, access points, a plan for screening or buffering, utilities, existing manmade and natural conditions, and all other conditions agreed to by the applicant;

(9) "Fiscal court" means the chief body of the county with legislative power, whether it is the fiscal court, county commissioners, or otherwise;

(10) "Housing or building regulation" means the Kentucky Building Code, the Kentucky Plumbing Code and any other building or structural code promulgated by the Commonwealth or by its political subdivisions;

(11) "Legislative body" means the chief body of the city with legislative power, whether it is the board of aldermen, the general council, the common council, the city council, the board of commissioners, or otherwise; at times it also implies the county's fiscal court;

(12) "Mayor" means the chief elected official of the city whether the official designation of his office is mayor or otherwise;

(13) "Nonconforming use or structure" means an activity or a building, sign, structure or a portion thereof which lawfully existed before the adoption or amendment of the zoning regulation, but which does not conform to all of the regulations contained in the zoning regulation which pertain to the zone in which it is located;

(14) "Planning operations" means the formulating of plans for the physical development and social and economic well-being of a planning unit, and the formulating of proposals for means of implementing the plans;

(15) "Planning unit" means any city or county, or any combination of cities, counties, or parts of counties engaged in planning operations;

(16) "Plat" means the map of a subdivision;

(17) "Political subdivision" means any city or county;

(18) "Several" means two (2) or more;

(19) "Public facility" means any use of land whether publicly or privately owned for transportation, utilities, or communications, or for the benefit of the general public, including, but not limited to, libraries, streets, schools, fire or police stations, county buildings, municipal buildings, recreational centers including parks, and cemeteries;

(20) "Street" means any vehicular way;

(21) "Structure" means anything constructed or made, the use of which requires permanent location in or on the ground or attachment to something having a permanent location in or on the ground, including buildings and signs;

(22) "Subdivision" means the division of a parcel of land into three (3) or more lots or parcels except in a county containing a city of the first, second or third class or in an urban-county government where a subdivision means the division of a parcel of land into two (2) or more lots or parcels; for the purpose, whether immediate or future, of sale, lease, or building development, or if a new street is involved, any division of a parcel of land; provided that a division of land for agricultural use and not involving a new street shall not be deemed a subdivision. The term includes resubdivision and when appropriate to the context, shall relate to the process of subdivision or to the land subdivided; any division or redivision of land into parcels of less than one (1) acre occurring within twelve (12) months following a division of the same land shall be deemed a subdivision within the meaning of this section;

(23) "Unit" means planning unit; and

(24) "Variance" means a departure from dimensional terms of the zoning regulation pertaining to the height, width, ***length,*** or location of structures, and the size of yards and open spaces where such departure meets the requirements of KRS 100.241 to 100.247.

HB 293, AN ACT relating to the provision of thermal vision devices to fire departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

The thermal vision grant program, which is administered pursuant to Sections 1 to 6 of this Act and appropriations in the state budget, is designed to:

(1) Reduce and prevent the loss of life by creating better equipped firefighters throughout the Commonwealth; and

(2) Upgrade the capabilities of local firefighters by providing financial assistance to be used to purchase thermal vision devices.

SECTION 2. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

The state fire marshal shall have overall responsibility for policy, guidance, administration, implementation, and proper utilization of the thermal vision grant program. The state fire marshal, with the advice of the advisory committee, shall make determinations relating to thermal vision grant program applications and releasing equipment to fire departments.

SECTION 3. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

For the purposes of Sections 1 to 6 of this Act "thermal vision device" means any portable electronic device that displays a visible image from the infrared portion of the electromagnetic spectrum.

SECTION 4. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

The state fire marshal shall appoint an advisory committee consisting of five (5) members, including no more than three (3) employees of the staff of the state fire marshal's office to advise the state fire marshal in making determinations related to thermal vision grant program equipment specifications, manufacturer recommendations, program allocations, and

compliance with program requirements. The members of the committee shall serve at the pleasure of the state fire marshal, but for no more than four (4) years without reappointment, and shall serve without reimbursement. The advisory committee shall:

(1) Study and make recommendations to the state fire marshal concerning the characteristics of the most cost-effective thermal vision systems for use by fire departments;

(2) Study and make specific recommendations to the state fire marshal concerning manufacturers of thermal vision devices to be purchased by the thermal vision grant program; and

(3) Study and make recommendations to the state fire marshal concerning grant applications, program allocations, and compliance with program requirements.

SECTION 5. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

The state fire marshal shall:

(1) Create the necessary application forms, any necessary supporting documents, compliance documents, or reporting documents for the thermal vision grant program as may be necessary by promulgating administrative regulations under KRS Chapter 13A;

(2) Make a determination of the characteristics of the most cost-effective thermal vision systems for use by fire departments participating in the thermal vision grant program;

(3) Make a determination of the manufacturer or manufacturers of thermal vision devices to be purchased by the thermal vision grant program;

(4) Make a determination of the most cost-effective purchase mechanism and price, under KRS Chapter 45A, for thermal vision systems;

(5) Accept and process applications for the purchase of thermal vision systems through the thermal vision grant program;

(6) Award eligible fire departments grants equal to fifty percent (50%), but not to exceed the sum of five thousand dollars ($5,000), of the agreed price for the purchase of thermal vision systems;

(7) Require recipients of thermal vision devices purchased through the thermal vision grant program to file any reports deemed necessary by the state fire marshal concerning usage, maintenance, or property accounting or loss with the state fire marshal's office; and

(8) Maintain these reports for evaluation by the fire marshal and the advisory committee.

SECTION 6. A NEW SECTION OF KRS CHAPTER 227 IS CREATED TO READ AS FOLLOWS:

All fire departments formed under KRS Chapter 65, 75, 95, or 273 shall be eligible to receive grants through the thermal vision grant program. These fire departments may make application for a grant to purchase thermal vision devices through the thermal vision grant program to the state fire marshal. The application shall be made on forms provided by the state fire marshal. A fire department that receives a grant through the thermal vision grant program shall not make another application to the state fire marshal for a grant for a period of two (2) years. Fire departments receiving grants for the purchase of thermal vision devices through the thermal vision grant program shall comply with all administrative regulations concerning reporting requirements established by the state fire marshal's office. Failure to comply with these reporting requirements shall disqualify a fire department from participation in the thermal vision grant program for a period of five (5) years.

The Committee Substitute to **HB 293** is as follows:

HB 293, AN ACT relating to the provision of thermal vision devices to fire departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The thermal vision grant program, which is administered pursuant to Sections 1 to 5 of this Act and appropriations in the state budget, is designed to:

(1) Reduce and prevent the loss of life by creating better equipped firefighters throughout the Commonwealth; and

(2) Upgrade the capabilities of local firefighters by providing financial assistance to be used to purchase thermal vision devices.

SECTION 2. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The commission shall have overall responsibility for policy, guidance, administration, implementation, and proper utilization of the thermal vision grant program. The commission with the advice of the advisory committee, shall make determinations relating to thermal vision grant program applications and releasing equipment to fire departments.

SECTION 3. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

For the purposes of Sections 1 to 5 of this Act "thermal vision device" means any portable electronic device that displays a visible image from the infrared portion of the electromagnetic spectrum.

SECTION 4. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The commission shall:

(1) Create the necessary application forms, any necessary supporting documents, compliance documents, or reporting documents for the thermal vision grant program as may be necessary by promulgating administrative regulations under KRS Chapter 13A;

(2) Make a determination of the characteristics of the most cost-effective thermal vision systems for use by fire departments participating in the thermal vision grant program;

(3) Make a determination of the manufacturer or manufacturers of thermal vision devices to be purchased by the thermal vision grant program;

(4) Make a determination of the most cost-effective purchase mechanism and price, under KRS Chapter 45A, for thermal vision systems;

(5) Accept and process applications for the purchase of thermal vision systems through the thermal vision grant program;

(6) Award eligible fire departments grants equal to fifty percent (50%), but not to exceed the sum of five thousand dollars ($5,000), of the agreed price for the purchase of thermal vision systems;

(7) Require recipients of thermal vision devices purchased through the thermal vision grant program to file any reports deemed necessary by the commission concerning usage, maintenance, or property accounting or loss with the commission; and

(8) Maintain these reports for evaluation by the commission.

SECTION 5. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

All fire departments formed under KRS Chapter 65, 75, 95, or 273 shall be eligible to receive grants through the thermal vision grant program. These fire departments may make application for a grant to purchase thermal vision devices through the thermal vision grant program to the commission. The application shall be made on forms provided by the commission. A fire department that receives a grant through the thermal vision grant program shall not make another application to the commission for a grant for a period of two (2) years. Fire departments receiving grants for the purchase of thermal vision devices through the thermal vision grant program shall comply with all administrative regulations concerning reporting requirements established by the commission. Failure to comply with these reporting requirements shall disqualify a fire department from participation in the thermal vision grant program for a period of five (5) years.

HB 305, AN ACT changing the classification of the City of Stanford, in Lincoln County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Stanford, in Lincoln County, is such as to justify its being classified as a city of the fourth class;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The City of Stanford, in Lincoln County, is transferred from the fifth to the fourth class of cities.

HB 314, AN ACT relating to the coordination of local government finance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 11 of this Act, unless the context requires otherwise:

(1) "Base revenue level" means the average amount of revenue collected by a county and the cities within the county from occupational license fees or insurance premium taxes for the three (3) tax years immediately preceding the initiation of a tax base coordination process set forth in Sections 1 to 11 of this Act or the amount of revenue collected by a county and the cities within the county from occupational license fees or insurance premium taxes for the tax year immediately preceding the initiation of the tax base coordination process set forth in Sections 1 to 11 of this Act, whichever is greater.

(2) "Insurance premium tax" means the fees or taxes imposed by a city or county upon insurance companies pursuant to Section 13 of this Act for the privilege of engaging in the business of insurance within the city or county.

(3) "Local tax effort" means the taxes and fees levied by a county and the cities within the county. It shall not include intergovernmental transfers, nontax service fees, impact fees, grants, mineral or severance tax funds, or other nontax sources.

(4) "Occupational license fees" means fees imposed by a city or county upon the salary, wages, compensation, gross profits, net profits, or other basis of businesses, trades, occupations, or professions pursuant to KRS 67.083, Section 12 of this Act, KRS 92.280, or 92.281 for the privilege of engaging in business within the city or county. It shall not include license taxes or fees imposed by a county to finance a public service program pursuant to KRS 68.510 to 68.550.

(5) "Revenue growth" means the amount of revenue generated from occupational license fees and insurance premium

taxes imposed by a county and the cities within the county in a tax year, minus the base revenue level.

(6) "Tax base coordination agreement" means an agreement approved by a county and the cities within the county in accordance with the provisions of Sections 1 to 11 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) It is the purpose of Sections 1 to 11 of this Act to:

(a) Create a framework and a process that will enable a county and the cities within the county to resolve conflicts arising from the levy and collection of occupational license fees and insurance premium taxes; and

(b) Encourage counties and cities to share revenues from occupational license fees and insurance premium taxes based on relative service responsibility and the reasonable cost of providing services while leaving the actual decisions regarding the allocation of service responsibilities to local governments; and

(c) Encourage counties and cities to collect and enforce occupational license fees and insurance premium taxes more efficiently and economically by utilizing a single, county-wide collection agency; and

(d) Recognize that counties provide services that benefit all residents of the county and city residents should pay a fair share of the costs of these services, but that city residents should not pay for services provided solely or primarily to benefit the residents of unincorporated areas and residents of unincorporated areas should not pay for services provided solely or primarily to benefit city residents.

(2) It is the intent of the General Assembly that the provisions of Sections 1 to 11 of this Act shall:

(a) Be supplemental to any other statutory means of resolving tax base conflicts; and

(b) Not eliminate the tax authorizations and requirements including mandatory tax credits contained in Section 12 of this Act and Section 13 of this Act, except as provided in Sections 1 to 11 of this Act; and

(c) Not interfere with other cooperative arrangements in effect between a city and county prior to the initiation of the provisions of Sections 1 to 11 of this Act as long as a conflict does not exist;

(d) Not apply in counties containing a city of the first class, an urban-county, charter county, or consolidated local government; and

(e) Not preclude any local governments from sharing revenues other than insurance premium taxes and occupational license fees unless prohibited by law.

SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) The tax base coordination process established by Sections 1 to 11 of this Act may be initiated as follows:

(a) The fiscal court of a county may initiate the tax base coordination process by enacting a resolution stating its desire to negotiate a tax base coordination agreement with the cities within the county. The county judge/executive shall send, by certified mail, a copy of the resolution to the Department for Local Government and the chief executive officer of each city within the county within ten (10) days of enactment of the resolution; or

(b) The legislative bodies of one or more cities whose combined populations equal seventy-five percent (75%) of the total population of the incorporated areas of a county as determined by the most recent decennial census or annual census estimate by the United States Bureau of the Census may initiate the tax base coordination process by enacting resolutions stating the desire of the cities to negotiate a tax base coordination agreement with the county and the other cities within the county. The mayor of each city shall send, by certified mail, a copy of the resolution to the Department for Local Government, the county judge/executive, and the chief executive officer of each other city within the county within ten (10) days of the enactment of the resolution.

(2) The Department for Local Government shall notify the county judge/executive and the chief executive officer of each city within the county that the tax base coordination process has been initiated within ten (10) days of receipt of the resolution of the county or receipt of resolutions from the required number of cities.

SECTION 4. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Upon enactment of a resolution by the fiscal court of a county or the legislative body of any city within the county stating its desire to negotiate a tax base coordination agreement as provided by Sections 1 to 11 of this Act, neither the county nor any city within the county may give first reading to any ordinance or enact a resolution to impose or repeal an occupational license fee or insurance premium tax or to alter the rate of an existing occupational license fee or insurance premium tax and no new credits against the county taxes for taxes paid to the cities within that county shall be recognized until a tax base coordination agreement has been adopted in accordance with the provisions of Sections 1 to 11 of this Act.

(2) If a resolution initiating the tax base coordination process is enacted by a city, the provisions of subsection (1) of this section shall not apply after ninety (90) days following the enactment of the resolution unless the county or a sufficient number of cities within the county have enacted resolutions to initiate the tax base coordination process as provided in Section 3 of this Act.

(3) If a resolution initiating the tax base coordination process is enacted by a city and the county or a sufficient number of

cities within the county do not enact resolutions to initiate the tax base coordination process within the period provided by subsection (2) of this section, neither the county nor any city within the county may initiate the tax base coordination process within one (1) year of the expiration of the ninety (90) day period set forth in subsection (2) of this section.

SECTION 5. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Upon notification by the Department of Local Government in accordance with Section 3 of this Act, the county and all cities within the county shall engage in a joint deliberative process designed to produce a tax base coordination agreement.

(2) A recommended tax base coordination agreement shall be developed by a joint committee composed of city and county representatives with membership determined as follows:

- *(a) If there is unanimous agreement as to the composition of the joint committee among the county and all cities with a population of three thousand (3,000) or more persons within the county, and concurrent agreement by a majority of the cities with a population of less than three thousand (3,000) persons as determined by the most recent decennial census or annual census estimates by the United States Bureau of the Census, the committee may be composed of any membership the local governments may agree upon; or*
- *(b) If the level of agreement required by subsection (2)(a) of this section is not obtained, the joint committee shall be comprised of a minimum of six (6) members, but may be comprised of a greater number of members. Membership of the committee shall be evenly divided between the county and the cities within the county. The county and city representatives shall be appointed as follows:*
  - *1. The county shall be represented on the joint committee by the county judge/executive or his designee and the remaining county representatives shall be appointed by the county judge/executive with the approval of the fiscal court.*
  - *2. If there is only one (1) city within the county, the city shall be represented by the mayor, or his designee, and the remaining representatives shall be appointed by the mayor with the approval of the city legislative body.*
  - *3. If there is more than one (1) city within the county, the cities shall be represented by the mayor of the city with the largest population as determined by the most recent decennial census or annual census estimate by the United States Bureau of the Census, or his designee, and the remaining representatives shall be appointed by joint action of a majority of the mayors of the total number of cities within the county.*
- *(c) All appointments to the joint committee shall be made within forty-five (45) days after notification by the Department for Local Government in accordance with Section 3 of this Act.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

A tax base coordination agreement shall:

(1) Identify and minimize the duplication of services among the various governmental jurisdictions to the greatest extent possible;

(2) Identify services that are funded by the local taxing effort and, to the extent possible, allocate revenues from the occupational license fee and insurance premium tax among the county and the cities within the county based on the responsibility for providing these services;

(3) Preserve each jurisdiction's right to levy its own taxes;

(4) Preserve and not interfere with any dedicated tax levies that have been approved by the voters or tax levies that are legally dedicated to the retirement of bonds or that are contractually obligated;

(5) Establish a base year revenue level for the county and each city within the county that must be preserved except as provided in subsection (8) of this section;

(6) Determine how tax rate increases and decreases and the imposition and elimination of taxes will be handled;

(7) Allocate revenue growth beyond the base revenue level among the county and the cities within the county based upon the provision of services that are funded from the local tax base effort;

(8) Provide that if the total revenues collected within the county from insurance premium taxes and occupational license fees fall below the base revenue level, then revenues from those taxes and fees shall be allocated to each local government based on their proportionate share of the combined base revenue level or by some other method specified in the agreement; and

(9) Have a minimum effective period of ten (10) years.

SECTION 7. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) A tax base coordination agreement shall be effective and be binding upon the county and each city within the county upon adoption of an ordinance approving the agreement by the fiscal court and each of the legislative bodies of a number of cities representing seventy-five percent (75%) or more of the population within the incorporated areas of the

county as determined by the most recent decennial census or annual census estimates by the United States Bureau of the Census. Notwithstanding the provisions of KRS 67.077, a county ordinance approving a tax base coordination agreement shall comply with the same publication requirements as required for city ordinances in KRS 83A.060.

(2) Within ten (10) days after the final approval of a tax base coordination agreement in accordance with subsection (1) of this section, the county judge/executive shall send a copy of the agreement to the Department for Local Government. If the agreement involves insurance premium taxes, the county judge/executive shall also send a copy of the final agreement to the Department of Insurance.

SECTION 8. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) A tax base coordination agreement may be reviewed and revised as necessary, subject to the same requirements that apply to the initial approval, but at a minimum, the agreement shall be reviewed and revised;

(a) At least every ten (10) years from when the negotiating process is initiated;

(b) Whenever the process of negotiating a tax base coordination agreement is reinitiated by the county or by the number of cities required to initially begin the process based on significant and identifiable changes in the laws or economic circumstances that make the current tax base coordination agreement unworkable; or

(c) In the event of the creation, abolition, or consolidation of governments within the county.

(2) A tax base coordination agreement may be terminated by a vote of the fiscal court and its cities in the same manner and numbers as required to approve the agreement. Termination of a tax base coordination agreement shall be effective the following July 1, provided notice of the termination is given to the Department for Local Government and the Department of Insurance at least one hundred (100) days prior to July 1.

SECTION 9. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Upon adoption of a tax base coordination agreement, a county having a population of thirty thousand (30,000) or more shall not be subject to the one percent (1%) cap on occupational license fees contained in subsection (1) of Section 12 of this Act as long as the tax base coordination agreement is in effect.

(2) A tax base coordination agreement may supersede the crediting requirements on county occupational license fees as set forth in subsection (1) of Section 12 of this Act and on insurance premium taxes as set forth in Section 13 of this Act as long as the tax base coordination agreement is in effect. Any provision of an agreement that supercedes the crediting requirement on insurance premium taxes shall be effective the following July 1, provided notice of the agreement is given to the Department of Insurance at least one hundred (100) days prior to July 1.

(3) Upon the adoption of a tax base coordination agreement, a city may annex contiguous, unincorporated urbanized areas of the county in accordance with the annexation procedure prescribed by Section 14 of this Act as long as the tax base coordination agreement is in effect.

SECTION 10. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) If a county and the cities within the county are unable to successfully negotiate a tax base coordination agreement within eighteen (18) months of notification by the Department for Local Government in accordance with Section 3 of this Act, the local governments shall notify the Department for Local Government and attempt to resolve their differences through mediation by a neutral third party mediator.

(2) The mediator shall be appointed by the Commissioner of the Department for Local Government from a list of trained mediators.

(3) The cost of mediation shall be apportioned among the county and the cities within the county based on relative population.

SECTION 11. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

The provisions of Sections 1 to 11 of this Act may be cited as the Local Government Service and Tax Base Coordination Act.

Section 12. KRS 68.197 is amended to read as follows:

(1) The fiscal court of each county having a population of thirty thousand (30,000) or more may by ordinance impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. *Except as provided in Sections 1 to 11 of this Act,* license fees on such business, trade, occupation, or profession for revenue purposes, except those of the common schools, may be imposed at a percentage rate not to exceed one percent (1%) of:

(a) Salaries, wages, commissions, and other compensation earned by persons within the county for work done and services performed or rendered in the county;

(b) The net profits of self-employed individuals, partnerships, professional associations, or joint ventures resulting from trades, professions, occupations, businesses, or activities conducted in the county; and

(c) The net profits of corporations resulting from trades, professions, occupations, businesses, or activities conducted in the county.

In order to reduce administrative costs and minimize paperwork for employers, employees, and businesses, the fiscal court may provide:

1. For an annual fixed amount license fee which a person may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on salaries, wages, commissions, and other compensation earned within the county for work done and services performed or rendered in the county; and
2. For an annual fixed amount license fee which an individual, partnership, professional association, joint venture, or corporation may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on net profits of businesses, trades, professions, or occupations from activities conducted in the county.

Licenses imposed for regulatory purposes are not subject to such limitations as to form and amount. No public service company that pays an ad valorem tax is required to pay a license tax, and no license tax shall be imposed upon or collected from any insurance company except as provided in KRS 91A.080, bank, trust company, combined bank and trust company, combined trust, banking, and title business in this state, or any savings and loan association whether state or federally chartered, or in other cases where the county is prohibited by law from imposing a license tax.

(2) No license fee shall be imposed or collected on income received by members of the Kentucky National Guard for active duty training, unit training assemblies, and annual field training, or on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections.

(3) Persons who pay a county license fee pursuant to this section and who also pay a license fee to a city contained in the county may, upon agreement between the county and the city, credit their city license fee against their county license fee.

(4) The provisions of subsection (3) of this section notwithstanding, effective with license fees imposed under the provisions of subsection (1) of this section on or after July 15, 1986, persons who pay a county license fee and a license fee to a city contained in the county shall***, subject to the provisions of a tax base coordination agreement adopted in accordance with Sections 1 to 11 of this Act,*** be allowed to credit their city license fee against their county license fee.

(5) On July 14, 2000, the provisions of subsection (4) of this section notwithstanding, city license fees not credited against county license fees enacted under this section or KRS 67.083 as of January 1, 2000, shall not be credited against county license fees. However, this exception shall not apply to county license fees enacted for the first time, or increased, on or after January 1, 2000. This provision shall expire ***June 30, 2003***[~~July 15, 2002~~], unless otherwise extended by the General Assembly.

(6) A county that enacted an occupational license fee under the authority of KRS 67.083 shall not be required to reduce its occupational tax rate when it is determined that the population of the county exceeds thirty thousand (30,000).

Section 13. KRS 91A.080 is amended to read as follows:

(1) The legislative body of each city, county, or urban-county government which elects to impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance may enact or change its license fee or rate of tax to be effective July 1 of each year on a prospective basis only and shall file with the commissioner of insurance at least one hundred (100) days prior to the effective date, a copy of all ordinances and amendments which impose any such license fee or tax. No less than eighty-five (85) days prior to the effective date, the commissioner of insurance shall promptly notify each insurance company engaged in the business of insurance in the Commonwealth of those city, county, or urban-county governments which have elected to impose the license fees or taxes and the current amount of the license fee or rate of tax.

(2) Any license fee or tax imposed by a city, county, or urban-county government upon an insurance company with respect to life insurance policies, may be based upon the first year's premiums, and, if so based, shall be applied to the amount of the premiums actually collected within each calendar quarter upon the lives of persons residing within the corporate limits of the city, county, or urban-county government.

(3) Any license fee or tax imposed by a city, county, or urban-county government upon any insurance company with respect to any policy which is not a life insurance policy shall be based upon the premiums actually collected by the company within each calendar quarter on risks located within the corporate limits of the city, county, or urban-county government on those classes of business which the company is authorized to transact, less all premiums returned to policyholders. In determining the amount of license fee or tax to be collected and to be paid to the city, county, or urban-county government, the insurance company shall use the tax rate effective on the first day of the policy term. When an insurance company collects a premium as a result of a change in the policy during the policy term, the tax rate used shall be the rate in effect on the effective date of the policy change. With respect to premiums returned to policyholders, the license fee or tax shall be returned by the insurance company to the policyholder pro rata on the unexpired amount of the premium at the same rate at which it was collected and shall be taken as a credit by the insurance company on its next quarterly report to the city, county, or urban-county government. Any license fee or tax imposed upon premium receipts shall not include premiums received for insuring employers against liability for personal injuries to their employees, or the death of their employees, caused thereby, under the provisions of the Workers' Compensation Act.

(4) The Department of Insurance shall, by administrative regulation, provide for a reasonable collection fee to be retained by the insurance company or its agent as compensation for collecting the tax, except that the collection fee shall not be more than fifteen percent (15%) of the fee or tax collected and remitted to the city, county or urban-county government or two percent (2%) of the premiums subject to the tax, whichever is less. To facilitate computation, collection, and remittance of the fee or tax and collection fee provided in this section, the fees or taxes set out in subsection (1), (2), or (3) of this

section, together with the collection fee in this section, may be rounded off to the nearest dollar amount.

(5) Pursuant to KRS 304.3-270, if any other state retaliates against any Kentucky domiciliary insurer because of the requirements of this section, the commissioner of insurance shall impose an equal tax upon the premiums written in this state by insurers domiciled in the other state.

(6) Accounting and reporting procedures for collection and reporting of the fees or taxes and the collection fee herein provided shall be determined by administrative regulations promulgated by the Department of Insurance.

(7) Upon written request of the legislative body of any city, county, or urban-county government, at the expense of the requesting city, county, or urban-county government, which shall be paid in advance by the city, county, or urban-county government to the Department of Insurance, the Department of Insurance shall examine, or cause to be examined by contract with qualified auditors, the books or records of the insurance companies or agents subject to the fee or tax to determine whether the fee or tax is being properly collected and remitted, and the findings of the examination shall be reported to the city, county, or urban-county government. Willful failure to properly collect and remit the fee or tax imposed by a city, county, or urban-county government pursuant to the authority granted by this section shall constitute grounds for the revocation of the license issued to an insurance company or agent under the provisions of KRS Chapter 304.

(8) The license fees or taxes provided for by subsections (2) and (3) of this section shall be due thirty (30) days after the end of each calendar quarter. Annually, by March 31, each insurer shall furnish each city, county, or urban-county government to which the tax or fee is remitted with a breakdown of all collections in the preceding calendar year for the following categories of insurance:

(a) Casualty;
(b) Automobile;
(c) Inland marine;
(d) Fire and allied perils;
(e) Health; and
(f) Life.

(9) Any license fee or tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until paid. Such interest payable to the city, county, or urban-county government is separate of penalties provided for in subsection (7) of this section. No city, county, or urban-county government may impose any penalties other than those provided for in this subsection.

(10) No license fee or tax imposed under this section shall apply to premiums received on policies of group health insurance provided for state employees under KRS 18A.225.

(11) No county may impose the tax authorized by this section upon the premiums received on policies issued to public service companies which pay ad valorem taxes.

(12) (a) ***Subject to the provisions of a tax base coordination agreement adopted in accordance with the provisions of Sections 1 to 11 of this Act,*** insurance companies which pay license fees or taxes pursuant to this section shall credit city license fees or taxes against the same license fees or taxes levied by the county, when the license fees or taxes are levied by the county on or after July 13, 1990.

(b) If a county imposed and collected the license fee or tax authorized by this section before July 1, 2000, then insurance companies that pay license fees or taxes under this section shall not credit against the county license fee or tax that portion of a city license fee or tax that becomes effective for the first time on or after July 1, 2000, or is increased effective on or after July 1, 2000. The provisions of this paragraph shall expire on June 30, ***2003***[~~2002~~], unless extended by the General Assembly.

(13) No license fee or tax imposed under this section shall apply to premiums received on health insurance policies issued to individuals nor to policies issued through Kentucky Access created in KRS 304.17B-005.

SECTION 14. A NEW SECTION OF KRS CHAPTER 81A IS CREATED TO READ AS FOLLOWS:

(1) When a county and its cities have approved a tax base coordination agreement in accordance with Sections 1 to 11 of this Act, a city within the county may annex contiguous unincorporated urbanized areas within the county where the basic urban services provided throughout the incorporated area, such as potable water, police and fire protection, and sanitary sewers are already provided by the city or shall be provided by the city within one (1) year following annexation in accordance with this section.

(2) For purposes of this section, "urbanized areas" shall mean:

(a) Parcels of land developed for residential usage, where none of the residential parcels exceeds three (3) acres, in which the average overall density is four (4) units per gross acre; or

(b) Parcels of land developed with significant buildings that are in use or are capable of being used for retail sales and services, commercial, or professional activity; or

(c) Parcels of land developed with significant buildings that are in use or are capable of being used for

warehousing or industrial purposes; or

(d) Parcels of land that have been paved or developed with the intent of public access and usage, such as fairgrounds, flea markets, and recreational facilities, where more than fifty percent (50%) of the property is covered with impervious surfaces.

(3) When a city desires to annex an urbanized area in accordance with the provisions of this section, the legislative body of the city proposing to annex shall enact an ordinance stating the intention of the city to annex. The ordinance shall accurately define the boundary of the urbanized area proposed to be annexed and declare it desirable to annex the area.

(4) If within sixty (60) days following the publication of the annexation ordinance pursuant to subsection (3) of this section, seventy-five percent (75%) of the resident voters or owners of real property within the limits of the territory proposed to be annexed petition the mayor in opposition to the proposal, an election shall be held at the next regular election if the petition is presented to the county clerk and certified by the county clerk as sufficient not later than the second Tuesday in August preceding the regular election:

(a) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, who shall have prepared to be placed before the voters in each precinct embraced in whole or in part within the territory proposed to be annexed the question; "Are you in favor of being annexed to the City of ....?" If only a part of any precinct is embraced within the territory proposed to be annexed, only those persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex;

(b) If less than seventy-five percent (75%) of those persons voting oppose annexation, the unincorporated territory shall become a part of the city; and

(c) If seventy-five percent (75%) or more of those persons voting oppose annexation, the ordinance proposing annexation shall become ineffectual for any purpose.

(5) In not less than sixty (60) days after the enactment of the ordinance, if no petition has been received by the mayor as set out in this section, or within sixty (60) days of the certification of election results in which less than seventy-five percent (75%) of those persons voting opposed annexation, the legislative body may enact an ordinance annexing to the city that area described in the annexation ordinance. If the city has elected to establish the zoning for the new area prior to the completion of the annexation pursuant to KRS 100.209, the ordinance shall include a map showing the zoning for the area. Upon the enactment of this ordinance, the area shall become part of the city for all purposes.

The Committee Substitute to **HB 314** is as follows:

HB 314, AN ACT relating to the coordination of local government finance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 11 of this Act, unless the context requires otherwise:

(1) "Base revenue level" means the average amount of revenue collected by a county and the cities within the county from occupational license fees or insurance premium taxes for the three (3) tax years immediately preceding the initiation of a tax base coordination process set forth in Sections 1 to 11 of this Act or the amount of revenue collected by a county and the cities within the county from occupational license fees or insurance premium taxes for the tax year immediately preceding the initiation of the tax base coordination process set forth in Sections 1 to 11 of this Act, whichever is greater.

(2) "Insurance premium tax" means the fees or taxes imposed by a city or county upon insurance companies pursuant to Section 13 of this Act for the privilege of engaging in the business of insurance within the city or county.

(3) “Local tax effort” means the taxes and fees levied by a county and the cities within the county. It shall not include intergovernmental transfers, nontax service fees, impact fees, grants, mineral or severance tax funds, or other nontax sources.

(4) "Occupational license fees" means fees imposed by a city or county upon the salary, wages, compensation, gross profits, net profits, or other basis of businesses, trades, occupations, or professions pursuant to KRS 67.083, Section 12 of this Act, KRS 92.280, or 92.281 for the privilege of engaging in business within the city or county. It shall not include license taxes or fees imposed and collected by a county prior to January 1, 2000, to finance a public service program pursuant to KRS 68.510 to 68.550.

(5) “Revenue growth” means the amount of revenue generated from occupational license fees and insurance premium taxes imposed by a county and the cities within the county in a tax year, minus the base revenue level.

(6) “Tax base coordination agreement” means an agreement approved by a county and the cities within the county in accordance with the provisions of Sections 1 to 11 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) It is the purpose of Sections 1 to 11 of this Act to:

(a) Create a framework and a process that will enable a county and the cities within the county to resolve conflicts arising from the levy and collection of occupational license fees and insurance premium taxes; and

(b) Encourage counties and cities to share revenues from occupational license fees and insurance premium taxes based on relative service responsibility and the reasonable cost of providing services while leaving the actual decisions regarding the allocation of service responsibilities to local governments; and

(c) Encourage counties and cities to collect and enforce occupational license fees and insurance premium taxes more efficiently and economically by utilizing a single, county-wide collection agency; and

(d) Recognize that counties provide services that benefit all residents of the county and city residents should pay a fair share of the costs of these services, but that city residents should not pay for services provided solely or primarily to benefit the residents of unincorporated areas and residents of unincorporated areas should not pay for services provided solely or primarily to benefit city residents.

(2) It is the intent of the General Assembly that the provisions of Sections 1 to 11 of this Act shall:

(a) Be supplemental to any other statutory means of resolving tax base conflicts; and

(b) Not eliminate the tax authorizations and requirements including mandatory tax credits contained in Section 12 of this Act and Section 13 of this Act, except as provided in Sections 1 to 11 of this Act; and

(c) Not interfere with other cooperative arrangements in effect between a city and county prior to the initiation of the provisions of Sections 1 to 11 of this Act as long as a conflict does not exist;

(d) Not apply in counties containing a city of the first class, an urban-county, charter county, or consolidated local government; and

(e) Not preclude any local governments from sharing revenues other than insurance premium taxes and occupational license fees unless prohibited by law.

SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) The tax base coordination process established by Sections 1 to 11 of this Act may be initiated as follows:

(a) The fiscal court of a county may initiate the tax base coordination process by enacting a resolution stating its desire to negotiate a tax base coordination agreement with the cities within the county. The county judge/executive shall send, by certified mail, a copy of the resolution to the Department for Local Government and the chief executive officer of each city within the county within ten (10) days of enactment of the resolution; or

(b) The legislative bodies of one or more cities whose combined populations equal seventy-five percent (75%) of the total population of the incorporated areas of a county as determined by the most recent decennial census or annual census estimate by the United States Bureau of the Census may initiate the tax base coordination process by enacting resolutions stating the desire of the cities to negotiate a tax base coordination agreement with the county and the other cities within the county. The mayor of each city shall send, by certified mail, a copy of the resolution to the Department for Local Government, the county judge/executive, and the chief executive officer of each other city within the county within ten (10) days of the enactment of the resolution.

(2) The Department for Local Government shall notify the county judge/executive and the chief executive officer of each city within the county that the tax base coordination process has been initiated within ten (10) days of receipt of the resolution of the county or receipt of resolutions from the required number of cities.

SECTION 4. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Upon enactment of a resolution by the fiscal court of a county or the legislative body of any city within the county stating its desire to negotiate a tax base coordination agreement as provided by Sections 1 to 11 of this Act, neither the county nor any city within the county may give first reading to any ordinance or enact a resolution to impose or repeal an occupational license fee or insurance premium tax or to alter the rate of an existing occupational license fee or insurance premium tax and no new credits against the county taxes for taxes paid to the cities within that county shall be recognized until a tax base coordination agreement has been adopted in accordance with the provisions of Sections 1 to 11 of this Act. The prohibition against the recognition of the new tax credits set forth in this subsection shall not apply in any case in which the tax credit was not previously taken because the right to take the tax credit was in dispute before the courts of the Commonwealth.

(2) If a resolution initiating the tax base coordination process is enacted by a city, the provisions of subsection (1) of this section shall not apply after ninety (90) days following the enactment of the resolution unless the county or a sufficient number of cities within the county have enacted resolutions to initiate the tax base coordination process as provided in Section 3 of this Act.

(3) If a resolution initiating the tax base coordination process is enacted by a city and the county or a sufficient number of cities within the county do not enact resolutions to initiate the tax base coordination process within the period provided by subsection (2) of this section, neither the county nor any city within the county may initiate the tax base

coordination process within one (1) year of the expiration of the ninety (90) day period set forth in subsection (2) of this section.

SECTION 5. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Upon notification by the Department of Local Government in accordance with Section 3 of this Act, the county and all cities within the county shall engage in a joint deliberative process designed to produce a tax base coordination agreement.

(2) A recommended tax base coordination agreement shall be developed by a joint committee composed of city and county representatives with membership determined as follows:

(a) If there is unanimous agreement as to the composition of the joint committee among the county and all cities with a population of three thousand (3,000) or more persons within the county, and concurrent agreement by a majority of the cities with a population of less than three thousand (3,000) persons as determined by the most recent decennial census or annual census estimates by the United States Bureau of the Census, the committee may be composed of any membership the local governments may agree upon; or

(b) If the level of agreement required by subsection (2)(a) of this section is not obtained, the joint committee shall be comprised of a minimum of six (6) members, but may be comprised of a greater number of members. Membership of the committee shall be evenly divided between the county and the cities within the county. The county and city representatives shall be appointed as follows:

1. The county shall be represented on the joint committee by the county judge/executive or his designee and the remaining county representatives shall be appointed by the county judge/executive with the approval of the fiscal court.

2. If there is only one (1) city within the county, the city shall be represented by the mayor, or his designee, and the remaining representatives shall be appointed by the mayor with the approval of the city legislative body.

3. If there is more than one (1) city within the county, the cities shall be represented by the mayor of the city with the largest population as determined by the most recent decennial census or annual census estimate by the United States Bureau of the Census, or his designee, and the remaining representatives shall be appointed by joint action of a majority of the mayors of the total number of cities within the county.

(c) All appointments to the joint committee shall be made within forty-five (45) days after notification by the Department for Local Government in accordance with Section 3 of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

A tax base coordination agreement shall:

(1) Identify and minimize the duplication of services among the various governmental jurisdictions to the greatest extent possible;

(2) Identify services that are funded by the local taxing effort and, to the extent possible, allocate revenues from the occupational license fee and insurance premium tax among the county and the cities within the county based on the responsibility for providing these services;

(3) Preserve each jurisdiction's right to levy its own taxes and fees;

(4) Preserve and not interfere with any dedicated tax levies that have been approved by the voters or tax levies that are legally dedicated to the retirement of bonds or that are contractually obligated;

(5) Establish a base year revenue level for the county and each city within the county that must be preserved except as provided in subsection (8) of this section;

(6) Determine how tax rate increases and decreases and the imposition and elimination of taxes will be handled;

(7) Allocate revenue growth beyond the base revenue level among the county and the cities within the county based upon the provision of services that are funded from the local tax base effort;

(8) Provide that if the total revenues collected within the county from insurance premium taxes and occupational license fees fall below the base revenue level, then revenues from those taxes and fees shall be allocated to each local government based on their proportionate share of the combined base revenue level or by some other method specified in the agreement; and

(9) Have a minimum effective period of ten (10) years.

SECTION 7. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) A tax base coordination agreement shall be effective and be binding upon the county and each city within the county upon adoption of an ordinance approving the agreement by the fiscal court and each of the legislative bodies of a number of cities representing seventy-five percent (75%) or more of the population within the incorporated areas of the county as determined by the most recent decennial census or annual census estimates by the United States Bureau of the Census. Notwithstanding the provisions of KRS 67.077, a county ordinance approving a tax base coordination

agreement shall comply with the same publication requirements as required for city ordinances in KRS 83A.060.

(2) Within ten (10) days after the final approval of a tax base coordination agreement in accordance with subsection (1) of this section, the county judge/executive shall send a copy of the agreement to the Department for Local Government. If the agreement involves insurance premium taxes, the county judge/executive shall also send a copy of the final agreement to the Department of Insurance.

SECTION 8. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) A tax base coordination agreement may be reviewed and revised as necessary, subject to the same requirements that apply to the initial approval, but at a minimum, the agreement shall be reviewed and revised;

(a) At least every ten (10) years from when the negotiating process is initiated;

(b) Whenever the process of negotiating a tax base coordination agreement is reinitiated by the county or by the number of cities required to initially begin the process based on significant and identifiable changes in the laws or economic circumstances that make the current tax base coordination agreement unworkable; or

(c) In the event of the creation, abolition, or consolidation of governments within the county.

(2) A tax base coordination agreement may be terminated by a vote of the fiscal court and its cities in the same manner and numbers as required to approve the agreement. Termination of a tax base coordination agreement shall be effective the following July 1, provided notice of the termination is given to the Department for Local Government and the Department of Insurance at least one hundred (100) days prior to July 1.

SECTION 9. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) Upon adoption of a tax base coordination agreement, a county having a population of thirty thousand (30,000) or more shall not be subject to the one percent (1%) cap on occupational license fees contained in subsection (1) of Section 12 of this Act as long as the tax base coordination agreement is in effect.

(2) A tax base coordination agreement may supersede the crediting requirements on county occupational license fees as set forth in subsection (1) of Section 12 of this Act and on insurance premium taxes as set forth in Section 13 of this Act as long as the tax base coordination agreement is in effect. Any provision of an agreement that supercedes the crediting requirement on insurance premium taxes shall be effective the following July 1, provided notice of the agreement is given to the Department of Insurance at least one hundred (100) days prior to July 1.

(3) Upon the adoption of a tax base coordination agreement, a city may annex contiguous, unincorporated urbanized areas of the county in accordance with the annexation procedure prescribed by Section 14 of this Act as long as the tax base coordination agreement is in effect.

SECTION 10. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) If a county and the cities within the county are unable to successfully negotiate a tax base coordination agreement within eighteen (18) months of notification by the Department for Local Government in accordance with Section 3 of this Act, the local governments shall notify the Department for Local Government and attempt to resolve their differences through mediation by a neutral third party mediator.

(2) The mediator shall be appointed by the Commissioner of the Department for Local Government from a list of trained mediators.

(3) The cost of mediation shall be apportioned among the county and the cities within the county based on relative population.

SECTION 11. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

The provisions of Sections 1 to 11 of this Act may be cited as the Local Government Service and Tax Base Coordination Act.

Section 12. KRS 68.197 is amended to read as follows:

(1) The fiscal court of each county having a population of thirty thousand (30,000) or more may by ordinance impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. *Except as provided in Sections 1 to 11 of this Act,* license fees on such business, trade, occupation, or profession for revenue purposes, except those of the common schools, may be imposed at a percentage rate not to exceed one percent (1%) of:

(a) Salaries, wages, commissions, and other compensation earned by persons within the county for work done and services performed or rendered in the county;

(b) The net profits of self-employed individuals, partnerships, professional associations, or joint ventures resulting from trades, professions, occupations, businesses, or activities conducted in the county; and

(c) The net profits of corporations resulting from trades, professions, occupations, businesses, or activities conducted in the county.

In order to reduce administrative costs and minimize paperwork for employers, employees, and businesses, the fiscal court may provide:

1. For an annual fixed amount license fee which a person may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on salaries, wages, commissions, and other compensation

earned within the county for work done and services performed or rendered in the county; and

2. For an annual fixed amount license fee which an individual, partnership, professional association, joint venture, or corporation may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on net profits of businesses, trades, professions, or occupations from activities conducted in the county.

Licenses imposed for regulatory purposes are not subject to such limitations as to form and amount. No public service company that pays an ad valorem tax is required to pay a license tax, and no license tax shall be imposed upon or collected from any insurance company except as provided in KRS 91A.080, bank, trust company, combined bank and trust company, combined trust, banking, and title business in this state, or any savings and loan association whether state or federally chartered, or in other cases where the county is prohibited by law from imposing a license tax.

(2) No license fee shall be imposed or collected on income received by members of the Kentucky National Guard for active duty training, unit training assemblies, and annual field training, or on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections.

(3) Persons who pay a county license fee pursuant to this section and who also pay a license fee to a city contained in the county may, upon agreement between the county and the city, credit their city license fee against their county license fee.

(4) The provisions of subsection (3) of this section notwithstanding, effective with license fees imposed under the provisions of subsection (1) of this section on or after July 15, 1986, persons who pay a county license fee and a license fee to a city contained in the county shall***, subject to the provisions of a tax base coordination agreement adopted in accordance with Sections 1 to 11 of this Act,*** be allowed to credit their city license fee against their county license fee.

(5) On July 14, 2000, the provisions of subsection (4) of this section notwithstanding, city license fees not credited against county license fees enacted under this section or KRS 67.083 as of January 1, 2000, shall not be credited against county license fees. However, this exception shall not apply to county license fees enacted for the first time, or increased, on or after January 1, 2000. This provision shall expire ***June 30, 2003***[~~July 15, 2002~~], unless otherwise extended by the General Assembly.

(6) A county that enacted an occupational license fee under the authority of KRS 67.083 shall not be required to reduce its occupational tax rate when it is determined that the population of the county exceeds thirty thousand (30,000).

Section 13. KRS 91A.080 is amended to read as follows:

(1) The legislative body of each city, county, or urban-county government which elects to impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance may enact or change its license fee or rate of tax to be effective July 1 of each year on a prospective basis only and shall file with the commissioner of insurance at least one hundred (100) days prior to the effective date, a copy of all ordinances and amendments which impose any such license fee or tax. No less than eighty-five (85) days prior to the effective date, the commissioner of insurance shall promptly notify each insurance company engaged in the business of insurance in the Commonwealth of those city, county, or urban-county governments which have elected to impose the license fees or taxes and the current amount of the license fee or rate of tax.

(2) Any license fee or tax imposed by a city, county, or urban-county government upon an insurance company with respect to life insurance policies, may be based upon the first year's premiums, and, if so based, shall be applied to the amount of the premiums actually collected within each calendar quarter upon the lives of persons residing within the corporate limits of the city, county, or urban-county government.

(3) Any license fee or tax imposed by a city, county, or urban-county government upon any insurance company with respect to any policy which is not a life insurance policy shall be based upon the premiums actually collected by the company within each calendar quarter on risks located within the corporate limits of the city, county, or urban-county government on those classes of business which the company is authorized to transact, less all premiums returned to policyholders. In determining the amount of license fee or tax to be collected and to be paid to the city, county, or urban-county government, the insurance company shall use the tax rate effective on the first day of the policy term. When an insurance company collects a premium as a result of a change in the policy during the policy term, the tax rate used shall be the rate in effect on the effective date of the policy change. With respect to premiums returned to policyholders, the license fee or tax shall be returned by the insurance company to the policyholder pro rata on the unexpired amount of the premium at the same rate at which it was collected and shall be taken as a credit by the insurance company on its next quarterly report to the city, county, or urban-county government. Any license fee or tax imposed upon premium receipts shall not include premiums received for insuring employers against liability for personal injuries to their employees, or the death of their employees, caused thereby, under the provisions of the Workers' Compensation Act.

(4) The Department of Insurance shall, by administrative regulation, provide for a reasonable collection fee to be retained by the insurance company or its agent as compensation for collecting the tax, except that the collection fee shall not be more than fifteen percent (15%) of the fee or tax collected and remitted to the city, county or urban-county government or two percent (2%) of the premiums subject to the tax, whichever is less. To facilitate computation, collection, and remittance of the fee or tax and collection fee provided in this section, the fees or taxes set out in subsection (1), (2), or (3) of this section, together with the collection fee in this section, may be rounded off to the nearest dollar amount.

(5) Pursuant to KRS 304.3-270, if any other state retaliates against any Kentucky domiciliary insurer because of the requirements of this section, the commissioner of insurance shall impose an equal tax upon the premiums written in this state by insurers domiciled in the other state.

(6) Accounting and reporting procedures for collection and reporting of the fees or taxes and the collection fee herein provided shall be determined by administrative regulations promulgated by the Department of Insurance.

(7) Upon written request of the legislative body of any city, county, or urban-county government, at the expense of the requesting city, county, or urban-county government, which shall be paid in advance by the city, county, or urban-county government to the Department of Insurance, the Department of Insurance shall examine, or cause to be examined by contract with qualified auditors, the books or records of the insurance companies or agents subject to the fee or tax to determine whether the fee or tax is being properly collected and remitted, and the findings of the examination shall be reported to the city, county, or urban-county government. Willful failure to properly collect and remit the fee or tax imposed by a city, county, or urban-county government pursuant to the authority granted by this section shall constitute grounds for the revocation of the license issued to an insurance company or agent under the provisions of KRS Chapter 304.

(8) The license fees or taxes provided for by subsections (2) and (3) of this section shall be due thirty (30) days after the end of each calendar quarter. Annually, by March 31, each insurer shall furnish each city, county, or urban-county government to which the tax or fee is remitted with a breakdown of all collections in the preceding calendar year for the following categories of insurance:

  (a) Casualty;
  (b) Automobile;
  (c) Inland marine;
  (d) Fire and allied perils;
  (e) Health; and
  (f) Life.

(9) Any license fee or tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until paid. Such interest payable to the city, county, or urban-county government is separate of penalties provided for in subsection (7) of this section. No city, county, or urban-county government may impose any penalties other than those provided for in this subsection.

(10) No license fee or tax imposed under this section shall apply to premiums received on policies of group health insurance provided for state employees under KRS 18A.225.

(11) No county may impose the tax authorized by this section upon the premiums received on policies issued to public service companies which pay ad valorem taxes.

(12) (a) ***Subject to the provisions of a tax base coordination agreement adopted in accordance with the provisions of Sections 1 to 11 of this Act,*** insurance companies which pay license fees or taxes pursuant to this section shall credit city license fees or taxes against the same license fees or taxes levied by the county, when the license fees or taxes are levied by the county on or after July 13, 1990.

  (b) If a county imposed and collected the license fee or tax authorized by this section before July 1, 2000, then insurance companies that pay license fees or taxes under this section shall not credit against the county license fee or tax that portion of a city license fee or tax that becomes effective for the first time on or after July 1, 2000, or is increased effective on or after July 1, 2000. The provisions of this paragraph shall expire on June 30, ***2003***[~~2002~~], unless extended by the General Assembly.

(13) No license fee or tax imposed under this section shall apply to premiums received on health insurance policies issued to individuals nor to policies issued through Kentucky Access created in KRS 304.17B-005.

SECTION 14. A NEW SECTION OF KRS CHAPTER 81A IS CREATED TO READ AS FOLLOWS:

(1) When a county and its cities have approved a tax base coordination agreement in accordance with Sections 1 to 11 of this Act, a city within the county may annex contiguous unincorporated urbanized areas within the county where the basic urban services provided throughout the incorporated area, such as potable water, police and fire protection, and sanitary sewers are already provided by the city or shall be provided by the city within one (1) year following annexation in accordance with this section.

(2) For purposes of this section, "urbanized areas" shall mean:

  (a) Parcels of land developed for residential usage, where none of the residential parcels exceeds three (3) acres, in which the average overall density is four (4) units per gross acre; or

  (b) Parcels of land developed with significant buildings that are in use or are capable of being used for retail sales and services, commercial, or professional activity; or

  (c) Parcels of land developed with significant buildings that are in use or are capable of being used for warehousing or industrial purposes; or

(d) Parcels of land that have been paved or developed with the intent of public access and usage, such as fairgrounds, flea markets, and recreational facilities, where more than fifty percent (50%) of the property is covered with impervious surfaces.

(3) When a city desires to annex an urbanized area in accordance with the provisions of this section, the legislative body of the city proposing to annex shall enact an ordinance stating the intention of the city to annex. The ordinance shall accurately define the boundary of the urbanized area proposed to be annexed and declare it desirable to annex the area.

(4) If within sixty (60) days following the publication of the annexation ordinance pursuant to subsection (3) of this section, seventy-five percent (75%) of the resident voters or owners of real property within the limits of the territory proposed to be annexed petition the mayor in opposition to the proposal, an election shall be held at the next regular election if the petition is presented to the county clerk and certified by the county clerk as sufficient not later than the second Tuesday in August preceding the regular election:

(a) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, who shall have prepared to be placed before the voters in each precinct embraced in whole or in part within the territory proposed to be annexed the question; "Are you in favor of being annexed to the City of ....?" If only a part of any precinct is embraced within the territory proposed to be annexed, only those persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex;

(b) If less than seventy-five percent (75%) of those persons voting oppose annexation, the unincorporated territory shall become a part of the city; and

(c) If seventy-five percent (75%) or more of those persons voting oppose annexation, the ordinance proposing annexation shall become ineffectual for any purpose.

(5) In not less than sixty (60) days after the enactment of the ordinance, if no petition has been received by the mayor as set out in this section, or within sixty (60) days of the certification of election results in which less than seventy-five percent (75%) of those persons voting opposed annexation, the legislative body may enact an ordinance annexing to the city that area described in the annexation ordinance. If the city has elected to establish the zoning for the new area prior to the completion of the annexation pursuant to KRS 100.209, the ordinance shall include a map showing the zoning for the area. Upon the enactment of this ordinance, the area shall become part of the city for all purposes.

HB 390, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly hereby confirms Executive Order 2001-609, dated May 18, 2001, which directs that the Division of Training and ADD Services within the Department for Local Government be renamed the Division of Local Resources.

The Committee on Health and Welfare reported **HB 108** with Committee Substitute attached thereto, **HB 327, HB 369, HB 371,** with Committee Substitute attached thereto, **HB 395, HB 416,** and **HB 421,** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 108, AN ACT relating to public health departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 211.005 is amended to read as follows:

(1) The General Assembly of the Commonwealth of Kentucky recognizes and hereby declares that it is an essential function, duty*,* and responsibility of the government of this Commonwealth to adequately safeguard the health of all its citizens, and to establish, maintain, implement, promote*,* and conduct appropriate facilities and services for the purpose of protecting the public health. This chapter is enacted with the expressed legislative intention of effectuating *these*~~[the aforesaid]~~ objectives in the manner provided *in this chapter*~~[herein]~~.

(2) The Department for Public Health shall develop and operate all programs for assessing the health status of the population, for the promotion of health, and for the prevention of disease, injury, disability, and premature death. To accomplish these goals, the department shall:

(a) Collect public health information from county health departments, district health departments, city-county health departments, local health departments, independent health departments, and other authorized sources of health data necessary to assess the health status of citizens of the Commonwealth;

(b) Identify health risks; and

(c) Establish policies for reducing the health risks through communicable disease control, public health education, and public health emergency response activities.

(3) The services provided by the Department for Public Health and all local health departments established under KRS Chapter 212 shall include, but not be limited to:

- *(a) Enforcement of public health regulations;*
- *(b) Surveillance of public health;*
- *(c) Communicable disease control;*
- *(d) Public health education;*
- *(e) Implementation of public health policy;*
- *(f) Efforts directed to population risk reduction; and*
- *(g) Disaster preparedness.*

(4) The Department for Public Health and all local health departments established under KRS Chapter 212 may assure the availability of personal preventive services to persons with no alternative source for these services to the extent that funds are appropriated for this purpose.

(5) The department shall have all powers necessary to carry out and effectuate the purposes of this section.

(6) The department shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement the provisions of this section.

Section 2. This Act may be known as the Kentucky Core Public Health Act.

The Committee Substitute to **HB 108** is as follows:

HB 108, AN ACT relating to public health departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 211.005 is amended to read as follows:

(1) The General Assembly of the Commonwealth of Kentucky recognizes and hereby declares that it is an essential function, duty, and responsibility of the government of this Commonwealth to adequately safeguard the health of all its citizens, and to establish, maintain, implement, promote, and conduct appropriate facilities and services for the purpose of protecting the public health. This chapter is enacted with the expressed legislative intention of effectuating *these*[~~the aforesaid~~] objectives in the manner provided *in this chapter*[~~herein~~].

(2) The Department for Public Health shall develop and operate all programs for assessing the health status of the population, for the promotion of health, and for the prevention of disease, injury, disability, and premature death. To accomplish these goals, the department shall:

- *(a) Collect public health information from county health departments, district health departments, city-county health departments, local health departments, independent health departments, and other authorized sources of health data necessary to assess the health status of citizens of the Commonwealth;*
- *(b) Identify health risks; and*
- *(c) Establish policies for reducing the health risks through communicable disease control, public health education, and public health emergency response activities.*

(3) The services provided by the Department for Public Health and all local health departments established under KRS Chapter 212 shall include, but not be limited to:

- *(a) Enforcement of public health regulations;*
- *(b) Surveillance of public health;*
- *(c) Communicable disease control;*
- *(d) Public health education;*
- *(e) Implementation of public health policy;*
- *(f) Efforts directed to population risk reduction; and*
- *(g) Disaster preparedness.*

(4) The Department for Public Health and all local health departments established under KRS Chapter 212:

- *(a) Shall provide personal preventive services to persons in need to the extent funds are available;*
- *(b) May bill Medicaid, Medicare, and other third-party payors for the provision of personal preventive services; and*
- *(c) May seek additional sources of revenue for the provision of personal preventive services or for any other unmet public health need.*

(5) The department shall have all powers necessary to carry out and effectuate the purposes of this section.

(6) The department shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement the provisions of this section.

Section 2. This Act may be known as the Kentucky Core Public Health Act.

HB 327, AN ACT relating to the Office of Women's Physical and Mental Health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 194A.095 is amended to read as follows:

(1) There is created in the Cabinet for Health Services an Office of Women's Physical and Mental Health for the purpose of:

(a)[~~(1)~~] Serving as a repository for data and information affecting women's physical and mental health issues;

(b)[~~(2)~~] Analyzing and communicating trends in women's health issues and mental health;

(c)[~~(3)~~]Recommending to the Cabinet for Health Services and to any advisory committees created under KRS 216.2923, data elements affecting women's physical and mental health. The office shall advise and direct which data elements should be collected, analyzed, and reported in a timely manner under KRS 216.2920 to 216.2929;

(d)[~~(4)~~] Cooperating and collaborating with the Cabinet for Health Services in receiving and disseminating through all forms of media including the internet relevant aggregate data findings under KRS 216.2920 to 216.2929 which affect women; and

(e)[~~(5)~~]Planning, developing, and administering a Women's Health Resource Center within the Cabinet for Health Services to focus on targeted preventive care and comprehensive health education.

(2) The office may accept gifts, grants, and bequests in support of its mission and duties specified in subsection (1) of this section. All money received shall be administered by the cabinet, which shall administer these funds through appropriate trust and agency accounts.

HB 369, AN ACT relating to health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.225 is amended to read as follows:

(1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and

(b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.

(2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994***, and shall include a mail order***

drug option as provided in subsection (14) of this section. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

(b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.

(c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.

(d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.

(e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorially required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.

(f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

(g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.

(3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.

(4) The premiums may be paid by the policyholder:

(a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;

(b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or

(c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.

(5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.

(6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.

(7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.

(8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.

(9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.

(10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.

(11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.

(12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.

(13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.

(14) ***The policies of health insurance coverage procured under subsection (2) of this section shall include a mail order drug option for state employees. An insurer that provides health insurance coverage for state employees that includes the mail order drug option shall not discriminate against any pharmacy located within the geographic coverage area of the health benefit plan who is willing to meet the mail order drug prices and other reasonable terms and conditions for participation established by the insurer for coverage of drugs.***

(15) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

HB 371, AN ACT relating to controlled substances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 218A.180 is amended to read as follows:

(1) Except when dispensed directly by a practitioner to an ultimate user, no methamphetamine or controlled substance in Schedule II may be dispensed without the written prescription of a practitioner. No prescription for a controlled substance in Schedule II shall be valid after sixty (60) days from the date issued. No prescription for a controlled substance in Schedule II shall be refilled. All prescriptions for controlled substances classified in Schedule II shall be maintained in a separate prescription file.

(2) Except when dispensed directly by a practitioner to an ultimate user, a controlled substance included in Schedules III, IV, and V, which is a prescription drug, shall not be dispensed without a written, electronic, or oral prescription by a

practitioner. The prescription shall not be filled or refilled more than six (6) months after the date issued or be refilled more than five (5) times, unless renewed by the practitioner and a new prescription, written, electronic, or oral shall be required.

(3) (a) To be valid, a prescription for a controlled substance shall be issued only for a legitimate medical purpose by a practitioner acting in the usual course of his professional practice. Responsibility for the proper dispensing of a controlled substance pursuant to a prescription for a legitimate medical purpose is upon the pharmacist who fills the prescription.

(b) A prescription shall not be issued for a practitioner to obtain a controlled substance for the purpose of general dispensing or administering to patients.

(4) All written prescriptions for controlled substances shall be dated and signed by the practitioner on the date issued and shall bear the full name and address of the patient, drug name, strength, dosage form, quantity prescribed, directions for use, and the name, address and registration number of the practitioner.

(5) All oral or electronic prescriptions shall include the full name and address of the patient, drug name, strength, dosage form, quantity prescribed, directions for use, and the name, address and registration number of the practitioner.

(6) All oral or electronic prescriptions shall be immediately reduced to writing, dated, and signed by the pharmacist. A prescription contained in a computer or other electronic format shall not be considered writing.

(7) A pharmacist refilling any prescription shall record on the prescription or other equivalent record the date, the quantity, and the pharmacist's initials. The maintenance of prescription records under the federal controlled substances laws and regulations containing substantially the same information as specified in this subsection shall constitute compliance with this subsection.

(8) The pharmacist filling a written, electronic, or oral prescription for a controlled substance shall affix to the package a label showing the date of filling, the pharmacy name and address, the serial number of the prescription, the name of the patient, the name of the prescribing practitioner and directions for use and cautionary statements, if any, contained in such prescription or required by law.

(9) ***The pharmacist shall indicate on a prescription that the person presenting the prescription was:***

(a) Known to him;

(b) Identified by means of a photo identification; or

(c) Required to leave a thumbprint and signature on the prescription.

(10) Any person who violates any provision of this section shall:

(a) For the first offense, be guilty of a Class A misdemeanor.

(b) For a second or subsequent offense, be guilty of a Class D felony.

Section 2. KRS 218A.202 is amended to read as follows:

(1) The Cabinet for Health Services shall establish an electronic system for monitoring Schedules II, III, IV, and V controlled substances that are dispensed within the Commonwealth by a practitioner or pharmacist or dispensed to an address within the Commonwealth by a pharmacy licensed by the Kentucky Board of Pharmacy.

(2) A practitioner or a pharmacist shall not have to pay a fee or tax specifically dedicated to the operation of the system.

(3) Every dispenser within the Commonwealth or who is licensed by the Kentucky Board of Pharmacy shall report to the Cabinet for Health Services the data required by this section in a timely manner as prescribed by the cabinet except that reporting shall not be required for:

(a) A drug administered directly to a patient; or

(b) A drug dispensed by a practitioner at a facility licensed by the cabinet provided that the quantity dispensed is limited to an amount adequate to treat the patient for a maximum of forty-eight (48) hours.

(4) Data for each controlled substance that is dispensed shall include but not be limited to the following:

(a) Patient identifier;

(b) Drug dispensed;

(c) Date of dispensing;

(d) Quantity dispensed;

(e) Prescriber; and

(f) Dispenser.

(5) The data shall be provided in the electronic format specified by the Cabinet for Health Services unless a waiver has been granted by the cabinet to an individual dispenser.

(6) The Cabinet for Health Services shall be authorized to provide data to:

(a) A designated representative of a board responsible for the licensure, regulation, or discipline of practitioners, pharmacists, or other person who is authorized to prescribe, administer, or dispense controlled substances and who is involved in a bona fide specific investigation involving a designated person;

- (b) A state, federal, or municipal officer whose duty is to enforce the laws of this state or the United States relating to drugs and who is engaged in a bona fide ***criminal***[~~specific~~] investigation involving a ***violation of state or federal drug law***[~~designated person~~];
- (c) A state-operated Medicaid program;
- (d) A properly convened grand jury pursuant to a subpoena properly issued for the records;
- (e) A practitioner or pharmacist who requests information and certifies that the requested information is for the purpose of providing medical or pharmaceutical treatment to a bona fide current patient; or
- (f) A person who receives data or any report of the system from the cabinet shall not provide it to any other person or entity except by order of a court of competent jurisdiction.

(7) The Cabinet for Health Services, all law enforcement officers, all officers of the court, and all regulatory agencies and officers, in using the data for investigative or prosecution purposes, shall consider the nature of the prescriber's and dispenser's practice and the condition for which the patient is being treated.

(8) The data and any report obtained therefrom shall not be a public record.

(9) Knowing failure by a dispenser to transmit data to the cabinet as required by subsection (3), (4), or (5) of this section shall be a Class A misdemeanor.

(10) Knowing disclosure of transmitted data to a person not authorized by subsection (6) of this section or authorized by KRS 315.121, or obtaining information under this section not relating to a bona fide specific investigation, shall be a Class D felony.

The Committee Substitute to **HB 371** is as follows:

HB 371, AN ACT relating to controlled substances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 218A.180 is amended to read as follows:

(1) Except when dispensed directly by a practitioner to an ultimate user, no methamphetamine or controlled substance in Schedule II may be dispensed without the written prescription of a practitioner. No prescription for a controlled substance in Schedule II shall be valid after sixty (60) days from the date issued. No prescription for a controlled substance in Schedule II shall be refilled. All prescriptions for controlled substances classified in Schedule II shall be maintained in a separate prescription file.

(2) Except when dispensed directly by a practitioner to an ultimate user, a controlled substance included in Schedules III, IV, and V, which is a prescription drug, shall not be dispensed without a written, electronic, or oral prescription by a practitioner. The prescription shall not be filled or refilled more than six (6) months after the date issued or be refilled more than five (5) times, unless renewed by the practitioner and a new prescription, written, electronic, or oral shall be required.

(3)
- (a) To be valid, a prescription for a controlled substance shall be issued only for a legitimate medical purpose by a practitioner acting in the usual course of his professional practice. Responsibility for the proper dispensing of a controlled substance pursuant to a prescription for a legitimate medical purpose is upon the pharmacist who fills the prescription.
- (b) A prescription shall not be issued for a practitioner to obtain a controlled substance for the purpose of general dispensing or administering to patients.

(4) All written prescriptions for controlled substances shall be dated and signed by the practitioner on the date issued and shall bear the full name and address of the patient, drug name, strength, dosage form, quantity prescribed, directions for use, and the name, address and registration number of the practitioner.

(5) All oral or electronic prescriptions shall include the full name and address of the patient, drug name, strength, dosage form, quantity prescribed, directions for use, and the name, address and registration number of the practitioner.

(6) All oral or electronic prescriptions shall be immediately reduced to writing, dated, and signed by the pharmacist. A prescription contained in a computer or other electronic format shall not be considered writing.

(7) A pharmacist refilling any prescription shall record on the prescription or other equivalent record the date, the quantity, and the pharmacist's initials. The maintenance of prescription records under the federal controlled substances laws and regulations containing substantially the same information as specified in this subsection shall constitute compliance with this subsection.

(8) The pharmacist filling a written, electronic, or oral prescription for a controlled substance shall affix to the package a label showing the date of filling, the pharmacy name and address, the serial number of the prescription, the name of the patient, the name of the prescribing practitioner and directions for use and cautionary statements, if any, contained in such prescription or required by law.

(9) ***When a prescription written by a licensed practitioner is hand delivered to a retail pharmacy and when physical possession of a controlled substance is taken by either the party for whom the prescription was written or a third party, the pharmacist or pharmacy employee shall verify the identity of the person presenting or receiving the prescription by one (1) of the following methods:***

(a) Knowing the person;

(b) Requiring the presentation of photo identification;

(c) Requiring the presentation of two (2) forms of identification, one (1) of which is government-issued; or

(d) Requiring a thumbprint and signature on the prescription.

(10) When a retail pharmacist or pharmacy employee delivers a prescription for a controlled substance to a specified location, the pharmacist or employee shall verify the identity of the person taking physical possession by one (1) of the following methods:

(a) Knowing the person;

(b) Requiring the presentation of photo identification and a signature; or

(c) Requiring the presentation of two (2) forms of identification, one (1) of which is government-issued, and a signature.

(11) The provision of subsections (9) and (10) of this section shall not apply to:

(a) A prescription for a Schedule V drug that does not require a prescription under federal or state law;

(b) An agent of a health care facility who signs a receipt for drugs delivered directly to the health care facility in response to a prescription for a specific patient; or

(c) An agent of a health care facility who signs a receipt for drugs delivered in response to a prescription ordered by a health care practitioner in the health care facility for a patient in the health care facility.

(12) Any person who violates any provision of this section shall:

(a) For the first offense, be guilty of a Class A misdemeanor.

(b) For a second or subsequent offense, be guilty of a Class D felony.

Section 2. KRS 218A.202 is amended to read as follows:

(1) The Cabinet for Health Services shall establish an electronic system for monitoring Schedules II, III, IV, and V controlled substances that are dispensed within the Commonwealth by a practitioner or pharmacist or dispensed to an address within the Commonwealth by a pharmacy licensed by the Kentucky Board of Pharmacy.

(2) A practitioner or a pharmacist shall not have to pay a fee or tax specifically dedicated to the operation of the system.

(3) Every dispenser within the Commonwealth or who is licensed by the Kentucky Board of Pharmacy shall report to the Cabinet for Health Services the data required by this section in a timely manner as prescribed by the cabinet except that reporting shall not be required for:

(a) A drug administered directly to a patient; or

(b) A drug dispensed by a practitioner at a facility licensed by the cabinet provided that the quantity dispensed is limited to an amount adequate to treat the patient for a maximum of forty-eight (48) hours.

(4) Data for each controlled substance that is dispensed shall include but not be limited to the following:

(a) Patient identifier;

(b) Drug dispensed;

(c) Date of dispensing;

(d) Quantity dispensed;

(e) Prescriber; and

(f) Dispenser.

(5) The data shall be provided in the electronic format specified by the Cabinet for Health Services unless a waiver has been granted by the cabinet to an individual dispenser.

(6) The Cabinet for Health Services shall be authorized to provide data to:

(a) A designated representative of a board responsible for the licensure, regulation, or discipline of practitioners, pharmacists, or other person who is authorized to prescribe, administer, or dispense controlled substances and who is involved in a bona fide specific investigation involving a designated person;

(b) A state, federal, or municipal officer whose duty is to enforce the laws of this state or the United States relating to drugs and who is engaged in a bona fide specific investigation involving a ***violation of state or federal law by a*** designated person***, or where there is an identifiable trend of illegal diversion in a geographic area***;

(c) A state-operated Medicaid program;

(d) A properly convened grand jury pursuant to a subpoena properly issued for the records;

(e) A practitioner or pharmacist who requests information and certifies that the requested information is for the purpose of providing medical or pharmaceutical treatment to a bona fide current patient; or

(f) A person who receives data or any report of the system from the cabinet shall not provide it to any other person or entity except by order of a court of competent jurisdiction.

(7) The Cabinet for Health Services, all law enforcement officers, all officers of the court, and all regulatory agencies and officers, in using the data for investigative or prosecution purposes, shall consider the nature of the prescriber's and dispenser's practice and the condition for which the patient is being treated.

(8) The data and any report obtained therefrom shall not be a public record.

(9) Knowing failure by a dispenser to transmit data to the cabinet as required by subsection (3), (4), or (5) of this section shall be a Class A misdemeanor.

(10) Knowing disclosure of transmitted data to a person not authorized by subsection (6) of this section or authorized by KRS 315.121, or obtaining information under this section not relating to a bona fide specific investigation, shall be a Class D felony.

HB 395, AN ACT relating to inherited metabolic disease.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.17A-139 is amended to read as follows:

(1) A health benefit plan that provides coverage for a family or dependent shall provide coverage of a newly born child of the insured from the moment of birth.

(2) Coverage for a newly born child shall consist of coverage of injury or sickness, including the necessary care and treatment of medically diagnosed inherited metabolic diseases.

(3) If payment of a specific premium or fee is required to provide coverage for a child, the policy or contract may require that notification of birth of a newly born child and payment of the required premium or fees must be furnished to the insurer within thirty-one (31) days after the date of birth in order to have the coverage continue beyond that thirty-one (31) day period.

(4) (a) For purposes of this subsection:

1. "Amino acid modified preparation" means a product intended for the dietary treatment of an inherited metabolic disease listed in KRS 205.560(1)(c) under the direction of a physician; and

2. "Low-protein modified food" means a product formulated to have less than one (1) gram of protein per serving and intended for the dietary treatment of an inherited metabolic disease listed in KRS 205.560(1)(c) under the direction of a physician.

(b) A health benefit plan that provides prescription drug coverage shall provide that coverage for amino acid modified preparations and low-protein modified food products for the treatment of inherited metabolic diseases if the amino acid ***modified preparations and low-protein modified food*** products are prescribed for the therapeutic treatment of inherited metabolic diseases and are administered under the direction of a physician. Coverage under this subsection may be subject, for each plan year, to a cap of ***twenty-five thousand dollars ($25,000) for medical formulas and a separate cap for each plan year of*** four thousand dollars ($4,000) on ***low protein modified foods***[~~both individual medical food prescription expenditures and medical formulas~~], subject to annual inflation adjustments.

(5) The requirements of this section shall apply to all health benefit plans delivered on and after ***the effective date of this Act***[~~July 14, 2000~~].

(6) Nothing in this section or KRS 205.560, 213.141. or 214.155 shall be construed to require a health benefit plan to provide coverage for an amino acid modified preparation or low-protein modified food for the treatment of lactose intolerance, protein intolerance, food allergy, food sensitivity, or any other condition or disease not listed in KRS 205.560(1)(c).

HB 416, AN ACT relating to Telecommunications Devices for the Deaf.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.5499 is amended to read as follows:

(1) The Public Service Commission shall determine the appropriate funding mechanism for the TDD distribution program established pursuant to KRS 163.525. The funding mechanism shall be designed to collect ***reasonably necessary funds, not to exceed one cent ($.01) per access line per month,***[~~no more than two hundred thousand dollars ($200,000) per year~~] from subscribers of telecommunication utilities. The telecommunications industry shall not be required to absorb the cost of funding the TDD distribution program.

(2) The Public Service Commission shall distribute the funds collected from this funding mechanism to the Commission on the Deaf and Hard of Hearing for the purpose of implementing and operating the TDD distribution program. The secretary

of the cabinet to which the Commission on the Deaf and Hard of Hearing is attached by statute or executive order shall establish oversight conditions with the Commission on the Deaf and Hard of Hearing to ensure the funds are being used solely for the purposes consistent with this section and KRS 163.525.

(3) The Public Service Commission, with the advice of the Commission on the Deaf and Hard of Hearing, shall initiate an investigation, conduct public hearings, and determine the appropriate funding mechanism for the TDD distribution program no later than January 1, 1995. As part of this determination, the commission may review the funding mechanism for the telecommunications relay service pursuant to KRS 278.549. The commission shall consider whether a telecommunications utility experiences a competitive disadvantage resulting from the funding mechanism when compared to other telecommunication utilities.

HB 421, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly confirms Executive Order 2001-1217 dated September 25, 2001, by which the Department for Medicaid Services was reorganized and program responsibilities realigned by the renaming of the Division of Long Term Care Programs as the Division of Long Term Care; the Division of Children's Health Programs is renamed the Division of Medicaid Services for Maternal and Children's Health; the Division of Financial Systems is renamed the Division of Financial Management, and through the creation of the following new Divisions:

(a) Division of Medicaid Mental Health and Mental Retardation;
(b) Division of Physicians and Specialty Services;
(c) Division of Managed Care;
(d) Division of Hospitals and Outpatient Facilities Services;
(e) Division of Program Integrity; and
(f) Division of Systems and Member Services.

The Committee on Elections, Constitutional Amendments, and Intergovernmental Affairs reported **HB 34** with Committee Substitute and Committee Amendment attached thereto, **HB 36** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 34, AN ACT relating to elections and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.045 is amended to read as follows:

(1) The county board of elections shall in the manner prescribed by this section, not later than March 20 each year, except in a year in which no primary and regular elections are scheduled, appoint for each precinct in the county two (2) judges, one (1) clerk and one (1) sheriff of election. They shall serve in all elections held in the county during the year, except as provided in KRS Chapter 242. If a special election is ordered to be held in a year in which no elections are scheduled, the county executive committee of each political party in each county in the territory affected by the special election shall, not later than twenty-eight (28) days preceding the date of the special election, submit a written list of nominees for precinct election officers to serve in the special election in a manner consistent with the provisions of subsection (2) of this section. The county board of elections in each county in the territory affected by the special election shall, not later than twenty-one (21) days preceding the date of the special election, appoint precinct election officers to serve in the special election in a manner consistent with the provisions of subsections (4), (5), and (6) of this section. The State Board of Elections shall promulgate an administrative regulation establishing evaluation procedures which county boards of elections may use to qualify persons nominated to serve as precinct election officers.

(2) The county executive committees of the two (2) political parties having representation on the State Board of Elections may, on or before March 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct; except that, in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a lesser number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one (1) authorized to submit the lists. The lists shall contain the full name, address, phone number, and Social Security number, if available, of each person listed. The lists shall be accompanied by a signed statement from each person stating that he is willing to serve, has not failed to serve without excuse in the past, and has not been convicted of an election law offense or any felony, unless the person's civil rights have been restored by the Governor. The State Board of Elections shall prescribe by administrative regulation the form of the list.

(3) The Attorney General shall notify each party state central committee of the duties of the party.

(4) If lists are submitted, the county board of elections shall select one (1) judge at each voting place from each political party's list, and the county board shall select the sheriff from one (1) political party's list and the clerk from the other. If no

lists are submitted, the two (2) members of the county board of elections who are appointed by the State Board of Elections may submit lists; and the county board shall select the sheriff and one (1) judge from one (1) list and the clerk and the other judge from the remaining list. If no lists are submitted, the county board shall select the sheriff and one (1) judge from the membership of one (1) party and the clerk and the other judge from the membership of the remaining party. The county board shall, when possible, also appoint an adequate number of alternate precinct election officers from names on the lists which were submitted but which were not selected by the county board as precinct election officers. If alternate precinct election officers are not appointed from the lists of nominees who were not selected as precinct election officers, the county board of elections shall submit its method of selecting alternate precinct election officers to the State Board of Elections for its approval.

(5) If, after all reasonable efforts have been made, the county board of elections is unable to find two (2) qualified officers for each precinct who are affiliated with the two (2) political parties having representation on the State Board of Elections, the county board shall submit a list of emergency election officer appointments to the State Board of Elections. The county board shall also present, in writing, its efforts to recruit and appoint election officers as prescribed in subsection (4) of this section. The list of emergency appointments may include qualified voters not affiliated with the two (2) parties represented on the state board. The state board, after its review, may approve any or all of the emergency appointments submitted by the county board or may direct the county board to take other action. Any emergency appointment shall be made for the next ensuing election only.

(6) In addition to precinct election officers appointed under subsection (1) of this section, a county board of elections may appoint up to two (2) additional precinct election officers per precinct with the approval of the State Board of Elections. The state board shall promulgate an administrative regulation establishing conditions under which additional precinct officers may be approved.

(7) The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems the action is necessary.

(8) The State Board of Elections may require the county board of elections to submit its list of precinct officers for review. The State Board of Elections may, after a hearing, direct the removal of any election officer who the board finds would not fairly administer the state election laws. The state board shall replace any officer so removed. The board shall provide for the method and manner of the hearing by administrative regulation.

(9) An election officer shall be a qualified voter of the precinct; except that, where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate or the spouse, parent, brother, sister, or child of a candidate who is to be voted for at the election. An election officer shall not have changed his voter registration party affiliation for one (1) year prior to his appointment. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled by the county board with alternate precinct election officers and the person appointed to fill the vacancy shall be of the same political party as the vacating officer, except for emergency appointments made as provided in subsection (5) of this section.

(10) If the county board of elections fails to appoint election officers, or if any officer is not present at the precinct at the time for commencing the election, or refuses to act, and if no alternate is available, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.

(11) Each election officer shall be paid a minimum of ***one hundred dollars ($100)***[~~sixty dollars ($60)~~] per election day served, and such an additional amount as compensation as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding the election officers' pay, for each election in which the election officer serves, to be paid by the county. For delivering the election packets to the polls, the precinct election officers shall receive in addition[~~ the mileage reimbursement provided for state employees, for each mile necessarily traveled in the delivery of the packets to the polls, or~~] a flat fee ***of ten dollars ($10)***[~~if the fee equals or exceeds that amount~~]. For delivering election returns, the precinct election judges shall receive in addition[~~ the mileage reimbursement provided for state employees for each mile necessarily traveled from the place of voting to and from the place of delivery, or~~] a flat fee ***of ten dollars ($10)***[~~if the fee equals or exceeds that amount~~]. The fee paid to the precinct election judges for delivering election returns shall be paid by the county.

Section 2. KRS 117.105 is amended to read as follows:

(1) The fiscal court of any county shall purchase or lease, from available funds or from the proceeds of bonds which may be issued for that purpose, voting machines, including extra or reserve machines, for use in regular, special and primary elections. The fiscal court may, prior to any election, authorize the use of additional voting machines in any particular precinct.

(2) The fiscal court of any county that utilized lever voting machines in any precinct for the 2000 general election shall replace those lever machines with voting systems conforming to the requirements of KRS Chapter 117 not later than the 2004 primary election. The fiscal court may utilize funds made available through General Assembly

appropriations, state or federal grants, or other funding in order to transition from lever machines to other voting systems. The fiscal court shall coordinate this transition with the county clerk of its county in order to provide for adequate time for training and operation of the new voting systems prior to the 2004 primary election. The fiscal court and county clerk shall jointly report quarterly to the State Board of Elections on their progress in implementing this subsection.

Section 3. KRS 117.187 is amended to read as follows:

(1) The State Board of Elections shall regularly provide special training regarding the election laws and methods of enforcement to all members of county boards of elections, county attorneys, Commonwealth's attorneys, and certain members of the Kentucky State Police. ***The State Board of Elections shall provide special training regarding the election laws and methods of enforcement to all county clerks after each regular session of the General Assembly.***

(2) The county board of elections shall provide special training before each primary and regular election to all election officers, alternates, and certified challengers regarding their duties and the penalties for failure to perform. Election officers, including alternates, and certified challengers shall attend the training session, unless excused by the county board of elections for reason of illness or other emergency. Any person who fails to attend a training session without being excused shall be prohibited from serving as an election officer or challenger for a period of five (5) years. The training provided by the county board of elections shall include, but not be limited to, the following:

(a) Operation of the voting machine or ballot cards;
(b) Posting of necessary signs and notices at the polling place;
(c) Voter assistance;
(d) Maintaining precinct rosters;
(e) Confirmation of a voter's identity;
(f) Challenge of a voter;
(g) Completing changes of address or name at the polling place;
(h) Qualifications for voting in a primary election;
(i) Electioneering and exit polling;
(j) Write-in voting procedures;
(k) Persons who may be in the voting room;
(l) Election violations and penalties;
(m) Assistance which may be provided by law enforcement officers; and
(n) Election reports.

(3) The county attorney shall attend the training session for election officers to assist in explaining the duties and penalties for failure to perform.

(4) Compensation in the minimum amount of ***twenty-five dollars ($25)***[~~ten dollars ($10)~~] for reimbursement of actual expenses shall be paid by the county to the election officers for attending the training session.

Section 4. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer, except as otherwise provided by law.

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify a statement of the number of precincts in the county, the date, and kind of election to the State Board of Elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the State Board of Elections shall issue its warrant upon the State Treasurer in favor of the county treasurer for the amount of ***seven hundred dollars ($700)***[~~two hundred fifty-five dollars ($255)~~] for each precinct in the county. However, the State Board of Elections shall not remit to a county payment for election expenses for any precinct containing less than three hundred fifty (350) registered voters unless the county has received prior approval from the state board to establish a precinct containing less than three hundred fifty (350) registered voters.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the State Property and Buildings Commission executed in connection with the acquisition of voting machines by the commission for the use of the county; and payments to any county shall be terminated whenever the county fails to pay any part of the rentals required for any effective period of the lease or if a county board of elections fails to provide training to precinct election officers required by KRS 117.187(2). ***Payments shall not be made to a county that has not converted its lever voting machines to voting machines conforming to the requirements of KRS Chapter 117 not later than the 2004 primary as directed in Section 2 of this Act.***

Section 5. KRS 117.375 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Electronic or electromechanical voting system" means a system of casting votes by use of marking devices and tabulating ballots employing automatic tabulating equipment or data processing equipment***;***[~~.~~]

(2) "Automatic tabulating equipment" means apparatus necessary to automatically examine and count votes as designated on ballots and data processing machines which can be used for counting ballots and tabulating results***;***[~~.~~]

(3) "Voting device" means either an apparatus in which paper ballots or ballot cards are used in connection with an implement by which a voter registers his votes with ink or other substance[~~ or by punching~~], or an apparatus by which such votes are registered electronically, so that in either case the votes so registered may be computed and tabulated by means of automatic tabulating equipment***;***[~~.~~]

(4) "Ballot card" means a tabulating card on which votes may be recorded by a voter by[~~use of a voting punch device or by~~] marking with a pen or special marking device***;***[~~.~~]

(5) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines***;***[~~.~~]

(6) "Ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, or a supplemental paper ballot which has been authorized for the use of voters in any primary, general***,*** or special election by the Secretary of State or the county clerk***;***[~~.~~

~~(7) "Voting punch device" means an apparatus in which ballots or ballot cards are inserted for the piercing of ballots by the voter. The hole may be in the form of a round dot, rectangle, square, or any other shape that will clearly indicate the intent of the voter.~~]

(7)[~~(8)~~] "Vote marking device" means any approved device for marking a paper ballot with ink or other substance which will enable the ballot to be tabulated by means of automatic tabulating equipment***;***[~~.~~]

(8)[~~(9)~~] "Secrecy envelope" means the envelope handed to the voter with his ballot into which the voter shall place his voted ballot cards***;***[~~.~~]

(9)[~~(10)~~] "Precinct ballot counter" means an automatic tabulating device used at the precinct to tabulate and process ballots***; and***[~~.~~]

(10)[~~(11)~~] "Voting machine" or "machine" shall include[~~ lever machines and, as far as applicable,~~] any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his ***or her*** votes in an election.

Section 6. KRS 117.383 is amended to read as follows:

The State Board of Elections shall ***promulgate administrative***[~~prescribe rules and~~] regulations ***in accordance with KRS Chapter 13A*** which shall include***,*** but not be limited to***,*** the following:

(1) Achieve and maintain the maximum degree of correctness, impartiality, and efficiency of the procedures of voting;

(2) Count, tabulate, and record votes;

(3) Establish a method for placing items on the electronic voting device, which shall, as closely as possible, follow the requirements pertaining to ballot labels;

(4) Design the ballot cards, including a numerical system to insure an accurate record of all voting activities;

(5) Instruct voters in the use of the voting device;

(6) Provide for checking the accuracy of the equipment;

(7) Provide necessary supplies, including those necessary for a write-in vote and secrecy envelopes for[~~ punch cards or~~] data processing cards to insure voter privacy;

(8) As part of the official canvass, provide for a manual recount of randomly selected precincts representing three percent (3%) to five percent (5%) of the total ballots cast in each election;

(9) Provide a method for maintaining sufficient documents and records so that votes can be recounted. Such documents and records shall include any material other than a ballot card which is imprinted with the names of candidates and issues voted upon. Records shall be maintained in such a manner that a specific piece of printed material listing issues and candidates can be matched with the specific ballot cards which were marked in reliance upon such printed material. Except as otherwise required in this chapter that certain records and papers relating to specified elections be retained for twenty-two (22) months, such documents and records shall be maintained for thirty (30) days following an election.

Section 7. KRS 118.015 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) A "political party" within the meaning of this chapter, is an affiliation or organization of electors representing a political policy and having a constituted authority for its government and regulation, and whose candidate received at least twenty percent (20%) of the total vote cast at the last preceding election at which presidential electors were voted for***;***[~~.~~]

(2) The word "election" used in reference to a state, district, county, or city election, includes the decisions of questions submitted to the qualified voters as well as the choice of officers by them***;***[~~.~~]

(3) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, or a

supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk***;***[~~.~~]

(4) "Ballot label" means the cards, papers, booklet, pages, or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines***;***[~~.~~]

(5) "Ballot card" means a tabulating card on which votes may be recorded by a voter[~~ by use of a voting punch device or~~] by marking with a pen or special marking device***;***[~~.~~]

(6) "Voting machine" or "machine" shall include[~~ lever machines and, as far as applicable,~~] any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his votes in an election***; and***[~~.~~]

(7) The word "resident" used in reference to a candidate in a state, district, county, or city election shall mean actual resident, without regard to the residence of the spouse of the candidate.

Section 8. KRS 118A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) [~~As used in this chapter, the word~~]"Election" refers only to elections for offices of the Court of Justice***;***[~~.~~]

(2) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk***;***[~~.~~]

(3) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines***;***[~~.~~]

(4) "Ballot card" means a tabulating card on which votes may be recorded by a voter[~~ by use of a voting punch device or~~] by marking with a pen or special marking device***;***[~~.~~]

(5) "Voting machine" or "machine" shall include[~~ lever machines and, as far as applicable,~~] any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting his vote in an election***; and***[~~.~~]

(6) No provisions of KRS Chapter 118 existing on March 10, 1976, except KRS 118.015 through 118.045 shall apply to such elections. All other provisions of the election laws not inconsistent with this chapter shall be applicable thereto.

Section 9. KRS 119.005 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk;

(2) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines;

(3) "Ballot card" means a tabulating card on which votes may be recorded by a voter[~~ by use of a voting punch device or~~] by marking with a pen or special marking device; ***and***

(4) "Voting machine" or "machine" shall include[~~ lever machines and, as far as applicable,~~] any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his vote in an election.

Section 10. KRS 120.005 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk;

(2) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines;

(3) "Ballot card" means a tabulating card on which votes may be recorded by a voter[~~ by use of a voting punch device or~~] by marking with a pen or special marking device; ***and***

(4) "Voting machine" or "machine" shall include[~~ lever machines and, as far as applicable,~~] any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his vote in an election.

Section 11. To carry out the provisions of Section 2 of this Act, there is appropriated to the State Board of Elections $954,000 out of the general fund in FY 2002-2003 to upgrade the voting equipment for those precincts currently using lever machines, and any unexpended balance of funds appropriated for this purpose shall not lapse but shall be carried forward for FY 2003-2004. To carry out the provisions of Section 4 of this Act, there is appropriated out of the general fund $2,688,800 in FY 2002-2003 and $2,688,800 in FY 2003-2004.

Section 12. Sections 5 to 10 of this Act shall take effect May 1, 2004.

The Committee Substitute to **HB 34** is as follows:

HB 34, AN ACT relating to elections and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.045 is amended to read as follows:

(1) The county board of elections shall in the manner prescribed by this section, not later than March 20 each year, except in a year in which no primary and regular elections are scheduled, appoint for each precinct in the county two (2) judges, one (1) clerk and one (1) sheriff of election. They shall serve in all elections held in the county during the year, except as provided in KRS Chapter 242. If a special election is ordered to be held in a year in which no elections are scheduled, the county executive committee of each political party in each county in the territory affected by the special election shall, not later than twenty-eight (28) days preceding the date of the special election, submit a written list of nominees for precinct election officers to serve in the special election in a manner consistent with the provisions of subsection (2) of this section. The county board of elections in each county in the territory affected by the special election shall, not later than twenty-one (21) days preceding the date of the special election, appoint precinct election officers to serve in the special election in a manner consistent with the provisions of subsections (4), (5), and (6) of this section. The State Board of Elections shall promulgate an administrative regulation establishing evaluation procedures which county boards of elections may use to qualify persons nominated to serve as precinct election officers.

(2) The county executive committees of the two (2) political parties having representation on the State Board of Elections may, on or before March 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct; except that, in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a lesser number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one (1) authorized to submit the lists. The lists shall contain the full name, address, phone number, and Social Security number, if available, of each person listed. The lists shall be accompanied by a signed statement from each person stating that he is willing to serve, has not failed to serve without excuse in the past, and has not been convicted of an election law offense or any felony, unless the person's civil rights have been restored by the Governor. The State Board of Elections shall prescribe by administrative regulation the form of the list.

(3) The Attorney General shall notify each party state central committee of the duties of the party.

(4) If lists are submitted, the county board of elections shall select one (1) judge at each voting place from each political party's list, and the county board shall select the sheriff from one (1) political party's list and the clerk from the other. If no lists are submitted, the two (2) members of the county board of elections who are appointed by the State Board of Elections may submit lists; and the county board shall select the sheriff and one (1) judge from one (1) list and the clerk and the other judge from the remaining list. If no lists are submitted, the county board shall select the sheriff and one (1) judge from the membership of one (1) party and the clerk and the other judge from the membership of the remaining party. The county board shall, when possible, also appoint an adequate number of alternate precinct election officers from names on the lists which were submitted but which were not selected by the county board as precinct election officers. If alternate precinct election officers are not appointed from the lists of nominees who were not selected as precinct election officers, the county board of elections shall submit its method of selecting alternate precinct election officers to the State Board of Elections for its approval.

(5) If, after all reasonable efforts have been made, the county board of elections is unable to find two (2) qualified officers for each precinct who are affiliated with the two (2) political parties having representation on the State Board of Elections, the county board shall submit a list of emergency election officer appointments to the State Board of Elections. The county board shall also present, in writing, its efforts to recruit and appoint election officers as prescribed in subsection (4) of this section. The list of emergency appointments may include qualified voters not affiliated with the two (2) parties represented on the state board. The state board, after its review, may approve any or all of the emergency appointments submitted by the county board or may direct the county board to take other action. Any emergency appointment shall be made for the next ensuing election only.

(6) In addition to precinct election officers appointed under subsection (1) of this section, a county board of elections may appoint up to two (2) additional precinct election officers per precinct with the approval of the State Board of Elections. The state board shall promulgate an administrative regulation establishing conditions under which additional precinct officers may be approved.

(7) The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems the action is necessary.

(8) The State Board of Elections may require the county board of elections to submit its list of precinct officers for review. The State Board of Elections may, after a hearing, direct the removal of any election officer who the board finds would not fairly administer the state election laws. The state board shall replace any officer so removed. The board shall provide for the method and manner of the hearing by administrative regulation.

(9) An election officer shall be a qualified voter of the precinct; except that, where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate or the spouse, parent, brother, sister, or child of a candidate who is to be voted for at the election. An election officer shall not have changed his voter registration party affiliation for one (1) year prior to his appointment. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled by the county board with alternate precinct election officers and the person appointed to fill the vacancy shall be of the same political party as the vacating officer, except for emergency appointments made as provided in subsection (5) of this section.

(10) If the county board of elections fails to appoint election officers, or if any officer is not present at the precinct at the time for commencing the election, or refuses to act, and if no alternate is available, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.

(11) Each election officer shall be paid a minimum of sixty dollars ($60) per election day served, and such an additional amount as compensation as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding the election officers' pay, for each election in which the election officer serves, to be paid by the county. ***Provided that adequate state funds become available to assist counties with additional pay for election officers, each election officer may be paid a minimum of one hundred dollars ($100), or such an additional amount as compensation as may be determined by the county board of elections.*** For delivering the election packets to the polls, the precinct election officers shall receive in addition~~[the mileage reimbursement provided for state employees, for each mile necessarily traveled in the delivery of the packets to the polls, or]~~ a flat fee ***of ten dollars ($10)***~~[if the fee equals or exceeds that amount]~~. For delivering election returns, the precinct election judges shall receive in addition~~[the mileage reimbursement provided for state employees for each mile necessarily traveled from the place of voting to and from the place of delivery, or]~~ a flat fee ***of ten dollars ($10)***~~[if the fee equals or exceeds that amount]~~. The fee paid to the precinct election judges for delivering election returns shall be paid by the county.

Section 2. KRS 117.105 is amended to read as follows:

(1) The fiscal court of any county shall purchase or lease, from available funds or from the proceeds of bonds which may be issued for that purpose, voting machines, including extra or reserve machines, for use in regular, special and primary elections. The fiscal court may, prior to any election, authorize the use of additional voting machines in any particular precinct.

(2) The fiscal court of any county that utilized lever voting machines in any precinct for the 2000 general election may replace those lever machines with electronic voting systems conforming to the requirements of KRS Chapter 117, provided that adequate state or county funds become available for that purpose. The fiscal court may utilize funds made available through General Assembly appropriations, state grants, or other funding in order to transition from lever machines to other voting systems. The fiscal court shall coordinate this transition with the county clerk of its county in order to provide for adequate time for training and operation of the new voting systems prior to any election in which they are used. The fiscal court and county clerk shall jointly report quarterly to the State Board of Elections on their progress in implementing this subsection.

Section 3. KRS 117.187 is amended to read as follows:

(1) The State Board of Elections shall regularly provide special training regarding the election laws and methods of enforcement to all members of county boards of elections, county attorneys, Commonwealth's attorneys, and certain members of the Kentucky State Police. ***The State Board of Elections shall provide special training regarding the election laws and methods of enforcement to all county clerks after each regular session of the General Assembly.***

(2) The county board of elections shall provide special training before each primary and regular election to all election officers, alternates, and certified challengers regarding their duties and the penalties for failure to perform. Election officers, including alternates, and certified challengers shall attend the training session, unless excused by the county board of elections for reason of illness or other emergency. Any person who fails to attend a training session without being excused shall be prohibited from serving as an election officer or challenger for a period of five (5) years. The training provided by the county board of elections shall include, but not be limited to, the following:

(a) Operation of the voting machine or ballot cards;

(b) Posting of necessary signs and notices at the polling place;

(c) Voter assistance;

(d) Maintaining precinct rosters;

(e) Confirmation of a voter's identity;

(f) Challenge of a voter;

(g) Completing changes of address or name at the polling place;

(h) Qualifications for voting in a primary election;

(i) Electioneering and exit polling;

(j) Write-in voting procedures;

(k) Persons who may be in the voting room;

(l) Election violations and penalties;

(m) Assistance which may be provided by law enforcement officers; and

(n) Election reports.

(3) The county attorney shall attend the training session for election officers to assist in explaining the duties and penalties for failure to perform.

(4) Compensation in the minimum amount of ten dollars ($10) for reimbursement of actual expenses shall be paid by the county to the election officers for attending the training session. ***Provided that adequate state funds become available to assist counties with additional compensation for actual expenses for training, each election officer may be paid a minimum of twenty-five dollars ($25), or such an additional amount as actual expenses as may be determined by the county board of elections.***

Section 4. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer, except as otherwise provided by law.

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify a statement of the number of precincts in the county, the date, and kind of election to the State Board of Elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the State Board of Elections shall issue its warrant upon the State Treasurer in favor of the county treasurer for the amount of two hundred fifty-five dollars ($255) for each precinct in the county. ***Provided that adequate state funds become available to assist counties with additional payments for the costs of elections, the State Board of Elections may remit to a county payment for election expenses in the amount of seven hundred dollars ($700) for each precinct in the county.*** However, the State Board of Elections shall not remit to a county payment for election expenses for any precinct containing less than three hundred fifty (350) registered voters unless the county has received prior approval from the state board to establish a precinct containing less than three hundred fifty (350) registered voters.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the State Property and Buildings Commission executed in connection with the acquisition of voting machines by the commission for the use of the county; and payments to any county shall be terminated whenever the county fails to pay any part of the rentals required for any effective period of the lease or if a county board of elections fails to provide training to precinct election officers required by KRS 117.187(2).

Section 5. KRS 117.375 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Electronic or electromechanical voting system" means a system of casting votes by use of marking devices and tabulating ballots employing automatic tabulating equipment or data processing equipment***;***[~~.~~]

(2) "Automatic tabulating equipment" means apparatus necessary to automatically examine and count votes as designated on ballots and data processing machines which can be used for counting ballots and tabulating results***;***[~~.~~]

(3) "Voting device" means either an apparatus in which paper ballots or ballot cards are used in connection with an implement by which a voter registers his votes with ink or other substance[~~ or by punching~~], or an apparatus by which such votes are registered electronically, so that in either case the votes so registered may be computed and tabulated by means of automatic tabulating equipment***;***[~~.~~]

(4) "Ballot card" means a tabulating card on which votes may be recorded by a voter by[~~use of a voting punch device or by~~] marking with a pen or special marking device***;***[~~.~~]

(5) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines***;***[~~.~~]

(6) "Ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, or a supplemental paper ballot which has been authorized for the use of voters in any primary, general***,*** or special election by the Secretary of State or the county clerk***;***[~~.~~

~~(7) "Voting punch device" means an apparatus in which ballots or ballot cards are inserted for the piercing of ballots by the voter. The hole may be in the form of a round dot, rectangle, square, or any other shape that will clearly indicate the intent of the voter.~~]

(7)[~~(8)~~] "Vote marking device" means any approved device for marking a paper ballot with ink or other substance which will enable the ballot to be tabulated by means of automatic tabulating equipment***;***[~~.~~]

(8)[~~(9)~~] "Secrecy envelope" means the envelope handed to the voter with his ballot into which the voter shall place his voted ballot cards***;***[~~.~~]

(9)[~~(10)~~] "Precinct ballot counter" means an automatic tabulating device used at the precinct to tabulate and process ballots***; and***[~~.~~]

(10)[~~(11)~~] "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his ***or her*** votes in an election.

Section 6. KRS 117.383 is amended to read as follows:

The State Board of Elections shall ***promulgate administrative***[~~prescribe rules and~~] regulations ***in accordance with KRS Chapter 13A*** which shall include***,*** but not be limited to***,*** the following:

(1) Achieve and maintain the maximum degree of correctness, impartiality, and efficiency of the procedures of voting;

(2) Count, tabulate, and record votes;

(3) Establish a method for placing items on the electronic voting device, which shall, as closely as possible, follow the requirements pertaining to ballot labels;

(4) Design the ballot cards, including a numerical system to insure an accurate record of all voting activities;

(5) Instruct voters in the use of the voting device;

(6) Provide for checking the accuracy of the equipment;

(7) Provide necessary supplies, including those necessary for a write-in vote and secrecy envelopes for[~~ punch cards or~~] data processing cards to insure voter privacy;

(8) As part of the official canvass, provide for a manual recount of randomly selected precincts representing three percent (3%) to five percent (5%) of the total ballots cast in each election;

(9) Provide a method for maintaining sufficient documents and records so that votes can be recounted. Such documents and records shall include any material other than a ballot card which is imprinted with the names of candidates and issues voted upon. Records shall be maintained in such a manner that a specific piece of printed material listing issues and candidates can be matched with the specific ballot cards which were marked in reliance upon such printed material. Except as otherwise required in this chapter that certain records and papers relating to specified elections be retained for twenty-two (22) months, such documents and records shall be maintained for thirty (30) days following an election.

Section 7. KRS 118.015 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) A "political party" within the meaning of this chapter, is an affiliation or organization of electors representing a political policy and having a constituted authority for its government and regulation, and whose candidate received at least twenty percent (20%) of the total vote cast at the last preceding election at which presidential electors were voted for***;***[~~.~~]

(2) The word "election" used in reference to a state, district, county, or city election, includes the decisions of questions submitted to the qualified voters as well as the choice of officers by them***;***[~~.~~]

(3) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk***;***[~~.~~]

(4) "Ballot label" means the cards, papers, booklet, pages, or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines***;***[~~.~~]

(5) "Ballot card" means a tabulating card on which votes may be recorded by a voter[~~ by use of a voting punch device or~~] by marking with a pen or special marking device***;***[~~.~~]

(6) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his votes in an election***; and***[~~.~~]

(7) The word "resident" used in reference to a candidate in a state, district, county, or city election shall mean actual resident, without regard to the residence of the spouse of the candidate.

Section 8. KRS 118A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) [~~As used in this chapter, the word~~]"Election" refers only to elections for offices of the Court of Justice***;***[~~.~~]

(2) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk***;***[~~.~~]

(3) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines***;***[~~.~~]

(4) "Ballot card" means a tabulating card on which votes may be recorded by a voter[~~ by use of a voting punch device or~~] by marking with a pen or special marking device***;***[~~.~~]

(5) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical

unit and supplies utilized or relied upon by a voter in casting his vote in an election***; and***~~[.]~~

(6) No provisions of KRS Chapter 118 existing on March 10, 1976, except KRS 118.015 through 118.045 shall apply to such elections. All other provisions of the election laws not inconsistent with this chapter shall be applicable thereto.

Section 9. KRS 119.005 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk;

(2) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines;

(3) "Ballot card" means a tabulating card on which votes may be recorded by a voter~~[by use of a voting punch device or]~~ by marking with a pen or special marking device; ***and***

(4) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his vote in an election.

Section 10. KRS 120.005 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, a special ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general***,*** or special election by the Secretary of State or the county clerk;

(2) "Ballot label" means the cards, papers, booklet, pages***,*** or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines;

(3) "Ballot card" means a tabulating card on which votes may be recorded by a voter~~[by use of a voting punch device or]~~ by marking with a pen or special marking device; ***and***

(4) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his vote in an election.

The Committee Amendment No. 1 Title to **HB 34** is as follows:

Amend the title to read as follows: "AN ACT relating to elections."

HB 36, AN ACT relating to write-in voting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.265 is amended to read as follows:

(1) A voter may, at any regular or special election, cast a write-in vote for any person qualified as provided in subsection (2) or (3) of this section, whose name does not appear upon the ballot label as a candidate, by writing the name of his choice upon the appropriate device for the office being voted on provided on the voting machine as required by KRS 117.125. Any candidate for city office who is defeated in a partisan or nonpartisan primary election shall be ineligible as a candidate for the same office in the regular election. Any voter utilizing an absentee ballot for a regular or special election may write in a vote for any eligible person whose name does not appear upon the ballot, by writing the name of his choice under the office.

(2) Write-in votes shall be counted only for candidates for election to office who have filed a declaration of intent to be a write-in candidate with the Secretary of State or county clerk, depending on the office being sought, not ***later***~~[less]~~ than ***the second Tuesday in August***~~[ten (10) days]~~ preceding the date of the regular ***election*** or ***not less than ten (10) days preceding the date of the*** special election. The declaration of intent shall be on a form prescribed by the Secretary of State.

(3) A person shall be ineligible as a write-in candidate for more than one (1) office in a regular or special election.

(4) Persons who wish to run for President and Vice-President shall file a declaration of intent to be a write-in candidate, along with a list of presidential electors pledged to those candidates, with the Secretary of State not less than ten (10) days preceding the date of the regular election for those offices. Write-in votes cast for the candidates whose names appear on the ballot shall apply to the slate of pledged presidential electors, whose names shall not appear on the ballot.

(5) The county clerk shall provide to the precinct election officers certified lists of those persons who have filed declarations of intent as provided in subsections (2) and (3) of this section. Only write-in votes cast for qualified candidates shall be counted.

(6) Two (2) election officers of opposing parties shall upon the request of any voter instruct the voter on how to cast a write-in vote.

[~~(7) The provisions of this section requiring the filing of a declaration of intent shall not apply to elections for municipal office in cities of the fifth or sixth class, and all write-in votes shall be counted, regardless of whether a declaration was filed.~~]

The Committee Substitute to **HB 36** is as follows:

HB 36, AN ACT relating to write-in voting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.265 is amended to read as follows:

(1) A voter may, at any regular or special election, cast a write-in vote for any person qualified as provided in subsection (2) or (3) of this section, whose name does not appear upon the ballot label as a candidate, by writing the name of his choice upon the appropriate device for the office being voted on provided on the voting machine as required by KRS 117.125. Any candidate for city office who is defeated in a partisan or nonpartisan primary election shall be ineligible as a candidate for the same office in the regular election. Any voter utilizing an absentee ballot for a regular or special election may write in a vote for any eligible person whose name does not appear upon the ballot, by writing the name of his choice under the office.

(2) Write-in votes shall be counted only for candidates for election to office who have filed a declaration of intent to be a write-in candidate with the Secretary of State or county clerk, depending on the office being sought, not less than ten (10) days preceding the date of the regular or special election. The declaration of intent shall be on a form prescribed by the Secretary of State.

(3) A person shall be ineligible as a write-in candidate for more than one (1) office in a regular or special election.

(4) Persons who wish to run for President and Vice-President shall file a declaration of intent to be a write-in candidate, along with a list of presidential electors pledged to those candidates, with the Secretary of State not less than ten (10) days preceding the date of the regular election for those offices. Write-in votes cast for the candidates whose names appear on the ballot shall apply to the slate of pledged presidential electors, whose names shall not appear on the ballot.

(5) The county clerk shall provide to the precinct election officers certified lists of those persons who have filed declarations of intent as provided in subsections (2) and (3) of this section. Only write-in votes cast for qualified candidates shall be counted.

(6) Two (2) election officers of opposing parties shall upon the request of any voter instruct the voter on how to cast a write-in vote.

[~~(7) The provisions of this section requiring the filing of a declaration of intent shall not apply to elections for municipal office in cities of the fifth or sixth class, and all write-in votes shall be counted, regardless of whether a declaration was filed.~~]

Section 2. KRS 118.255 is amended to read as follows:

(1) The Secretary of State shall receive a fee of five hundred dollars ($500) for a candidate for statewide elected state office or the Congress, two hundred dollars ($200) for a candidate for Commonwealth's attorney, the General Assembly, or the District Court, Circuit Court, Court of Appeals, or Supreme Court, twenty dollars ($20) for candidates for office in cities of the fifth or sixth class, fifty dollars ($50) for other candidates who file with the Secretary of State for each notification and declaration and petition filed with him, ***and*** fifty dollars ($50) for a write-in candidate for office other than municipal office in cities of the fifth or sixth class[~~, and twenty dollars ($20) for a write-in candidate for municipal office in a city of the fifth or sixth class for each declaration of intent to be a write-in candidate~~], to be paid by the candidate, or the candidate's representative, when the notification and declaration and petition or declaration of intent is filed.

(2) The county clerk shall receive a fee pursuant to KRS 64.012 for each notification and declaration and petition filed with him to be paid by the candidate at the time of the filing. The county clerk shall receive a fee pursuant to KRS 64.012 for each name published as provided in KRS 118.235, to be paid by the county.

(3) The amount of fees received by the Secretary of State and county clerk for notifications and declarations and petitions filed with them, minus twenty dollars ($20) for each notification and declaration or petition filed, shall be forwarded to the State Treasurer for deposit in the election campaign fund established by KRS 121A.020.

(4) The county clerk and/or Secretary of State shall pay the cost of mailing the certification of nomination and declaration petition from the fee collected from the candidate.

Section 3. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire thereof does not exceed three (3) pages	$8.00
Exceeding three (3) pages, for each page	2.00
Copy and certification of same when ordered	5.00

Each bond required to be taken or prepared by the clerk	3.00
Copy of any bond when ordered	2.00
Recording a bond, each bond	8.00
Receiving the acknowledgment or proof of any deed, mortgage, or agreement, power of attorney, or other written instrument required by law to be done and certifying same	2.00
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Certified copy of deed	5.00
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Certified copy of real estate mortgage	5.00
Recording deed of assignment of real estate mortgage	8.00
Noting release of any lien, mortgage, or redemption other than a deed of release	3.00
Receiving the acknowledgment, recording, and certifying each deed of release of a mortgage or lien under KRS 382.360	8.00
Each additional marginal notation relating to same instrument	3.00
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	8.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	8.00
Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed, or discontinued, and by the applicant when it is not	2.00
Administering an oath and certificate thereof	2.00
Issuing license for which no other fee is fixed by law	5.00
Marriage license, bond, certificate and recording	24.00
For filing and indexing an original or continuation financing statement	8.00
For noting a security interest on a certificate of title under KRS Chapter 186A	12.00
For filing and indexing an assignment of a financing statement	8.00
For filing and noting a statement of release of collateral under a financing statement	5.00
Recording real estate options, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Recording plats, maps and surveys, not exceeding 24 inches by 36 inches, per page	15.00

Recording all leases which are recordable by law, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Marginal notation to same instrument	3.00
Filing or recording of certification of intention to operate a business under an assumed name	8.00
Filing a lien on a delinquent motor vehicle or trailer bill	8.00
Releasing a lien on a delinquent motor vehicle or trailer bill	2.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	8.00
Filing or recording of notice of lien issued by the Internal Revenue Service	8.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	8.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Filing or recording United States liens, provided the entire record per lien does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Filing or recording release of a United States lien, provided the entire record per lien does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Filing or recording state tax or other state liens, other than liens on delinquent motor vehicles or trailers	5.00
Filing release of a state tax or other state lien, other than a lien on a delinquent motor vehicle or trailer	5.00
Filing notification and declaration and petition of candidates for Commonwealth's attorney, District Court, and Circuit Court	200.00
Filing notification and declaration and petition of candidates for office in cities of the fifth or sixth class and candidates for county and independent boards of education	20.00
Filing notification and declaration and petition of candidates for boards of soil and water conservation districts	20.00
Filing notification and declaration and petition of candidates for other offices	50.00
Filing declaration of intent to be a write-in candidate for office other than municipal office in a city of the fifth or sixth class	50.00
[~~Filing declaration of intent to be a write-in candidate for municipal office in a city of the fifth or sixth class.~~	~~20.00~~]
Recording wills or other probate documents under KRS 394.300	8.00
Registration of licenses for professional persons required to register with the county clerk	8.00
Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapters 271B, 272 and 273, including articles of incorporation, amendment, restatement of incorporation, merger,	

consolidation, or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, or any other statement or report of a foreign or domestic corporation, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three (3) pages (except military discharges)	8.00
Exceeding three (3) pages, each additional page	2.00
Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, each additional page	2.00
Filing petitions other than nominating petitions, provided the petition does not exceed three (3) pages	8.00
Exceeding three (3) pages, each additional page, except that the total fee for filing a petition other than a nominating petition shall not exceed $50.00	2.00
Filing certification required by KRS 65.070(1)(a)	5.00
Certification of franchise tax assessment	5.00

The Committee on Transportation reported **HB 106** with Committee Substitute attached thereto, **HB 316** with Committee Substitute attached thereto, **HB 341, HB 453, HJR 77, HJR 79,** and **HJR 85.** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 106, AN ACT relating to a child identification program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.412 is amended to read as follows:

(1) A person under the age of twenty-one (21) at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least one hundred eighty (180) days. A person who is at least twenty-one (21) years of age at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least thirty (30) days. The person shall apply for an operator's license in the office of the circuit clerk of the county where he lives. The application form shall require the applicant's full legal name and signature, date of birth, Social Security number, sex, present resident address, other information necessary to permit the application to also serve as an application for voter registration, and brief physical description of the applicant. If the person is not a United States citizen, the application form shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services and, if applicable, a photographic copy of the person's international driving permit. All applications shall state:

(a) If the applicant has previously been licensed as an operator and by what nation or state; and

(b) Other information the cabinet may require by administrative regulation promulgated pursuant to KRS Chapter 13A.

(2) The Transportation Cabinet shall issue a plastic laminated operator's license bearing a color photograph of the applicant. The photograph shall be taken by the circuit clerk so that one (1) exposure will photograph the applicant and the application simultaneously, using the process determined under provisions of KRS 186.413. When taking the photograph, the applicant shall be prohibited from wearing sunglasses or any other attire that obscures any features of the applicant's face as determined by the clerk. The clerk shall require an applicant to remove sunglasses or other obscuring attire before taking the photograph required by this subsection. Any person who refuses to remove sunglasses or other attire prohibited by this section as directed by the clerk shall be prohibited from receiving an operator's license. The plastic laminated operator's license issued by the cabinet shall not contain the applicant's Social Security number. The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A that develop a numbering system that uses an identification system other than Social Security numbers. The license shall also designate by color coding and use the phrase "under 21" if the licensee is under the age of twenty-one (21); "CDL" if the license is issued pursuant to KRS

Chapter 281A; or "under 21 CDL" if the licensee holds a commercial driver's license issued pursuant to KRS Chapter 281A and is under the age of twenty-one (21).

(3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.

(4) The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. The temporary license shall be valid in lieu of the permanent license during the certification period and shall be destroyed upon receipt of the permanent operator's license.

(5) The circuit clerk shall issue a color photo nondriver's identification card to any person who resides in the county who applies in person in the office of the circuit clerk. A nondriver's identification card shall be subject to the provisions of this section. An application for a nondriver's identification card shall be accompanied by a signed Social Security card and a birth certificate, or other proof of the applicant's date of birth provided under subsection (1) of this section. If the person is not a United States citizen, an application for a nondriver's identification card shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services. The application shall require the applicant to provide his or her full legal name and most current resident address that may include, but is not limited to, a mailing address, post office box, or an address provided on a voter registration card. If an applicant for a nondriver's identification card is under the age of twenty-one (21), the applicant's most current resident address shall be required unless a current resident address is not available, in which case a mailing address, post office box, or an address provided on a voter registration card may be used. Every applicant for a nondriver's identification card shall make an oath to the circuit clerk as to the truthfulness of the statements contained on the application form. If the applicant is not the legal possessor of the address provided on the application form, the applicant shall swear that he has permission from the legal possessor to use the address for purposes of obtaining the nondriver's identification card. The nondriver's identification card shall designate by color coding and by use of the phrase "under 21" if the applicant is under the age of twenty-one (21).

(6) ***The Transportation Cabinet shall implement a voluntary statewide child identification program. The program shall issue a color photo nondriver's identification card to a child two (2) to fifteen (15) years of age. Application for a child identification card shall be accompanied by a Social Security card and a birth certificate for the child, or other proof of the child's date of birth as provided under subsection (1) of this section. The card shall contain the child's name and the toll-free number of the Kentucky Missing Person Clearinghouse, Kentucky State Police. The card shall not contain the child's Social Security number. The cabinet shall set a four dollar ($4) fee for the child identification card. Two dollars ($2) of the fee shall be used to cover the cabinet's cost for equipment and supplies. Two dollars ($2) of the fee shall be an administrative fee for issuing the card and shall be used to assist the circuit clerks in hiring additional deputy clerks. The administrative fee shall be paid directly to the circuit clerks and deposited in a trust and agency account to the credit of the Administrative Office of the Courts. The card shall expire every two (2) years on the child's birthday. The program shall provide an applicant with the option of having descriptive data and a photo image of the child stored in a child identification data set for access and retrieval by the Kentucky State Police.***

(7) Licensed drivers temporarily out-of-county may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature."

(8)[~~(7)~~] If a citizen of the Commonwealth currently serving in the United States military is stationed or assigned to a base or other location outside the boundaries of the Commonwealth, the citizen may renew a Class D operator's license issued under this section by mail. If the citizen was issued an "under 21" operator's license, upon the date of his or her twenty-first birthday, the "under 21" operator's license may be renewed for an operator's license that no longer contains the outdated reference to being "under 21".

(9)[~~(8)~~] A citizen of the Commonwealth renewing an operator's license by mail under subsection ***(8)***[~~(7)~~] of this section may have a personal designee apply to the circuit clerk on behalf of the citizen to renew the citizen's operator's license. An operator's license being renewed by mail under subsection ***(8)***[~~(7)~~] of this section shall be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature".

(10)[~~(9)~~] If a citizen of the Commonwealth has been serving in the United States military and has allowed his operator's license to expire, he shall, within ninety (90) days of returning to the Commonwealth, be permitted to renew his license without having to take a written test or road test. A citizen who does not renew his license within ninety (90) days of returning to the Commonwealth shall be required to comply with the provisions of this chapter governing renewal of a license that has expired. If a citizen of the Commonwealth has been issued an "under 21" or "under 21 CDL" operator's license and the person is unable to renew the license on the date of his twenty-first birthday, the "under 21" or "under 21 CDL" operator's license shall be valid for ninety (90) days beyond the date of the person's twenty-first birthday.

(11)[~~(10)~~] The cabinet shall provide on each license to operate motor vehicles, motorcycles, and mopeds a space for the licensed driver's:

(a) Blood type;

(b) Medical insignia if the person provides evidence that a medical identification bracelet noting specific physical ailments or a drug allergy is being worn or other proof as may be required by the cabinet; and

(c) A statement whereby the owner of the license may certify in the presence of two (2) witnesses his willingness to make an anatomical gift under KRS 311.195.

(12)[~~(11)~~] If the motor vehicle operator denotes a physical ailment or drug allergy on the operator's license, he may apply for and shall receive, for a fee of one dollar ($1) paid to the circuit clerk, a medical insignia decal that may be affixed to the lower left side of the front windshield of a motor vehicle.

(13)[~~(12)~~] An operator's license pursuant to this section shall be designated a Class D license.

(14)[~~(13)~~] A person shall not have more than one (1) license.

(15)[~~(14)~~] Upon marriage, a woman applying for an operator's license or a color photo nondriver's identification card shall provide the circuit clerk with her marriage license and complete an affidavit form provided by the circuit court clerk. She shall have the following choices in regard to her full legal name as required in subsections (1) and (5) of this section:

(a) Use her husband's last name;

(b) Retain her maiden name;

(c) Use her maiden name hyphenated with her husband's last name;

(d) Use her maiden name as a middle name and her husband's last name as her last name; or

(e) In the case of a previous marriage, retain that husband's last name.

The Committee Substitute to **HB 106** is as follows:

HB 106, AN ACT relating to a child identification program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.412 is amended to read as follows:

(1) A person under the age of twenty-one (21) at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least one hundred eighty (180) days. A person who is at least twenty-one (21) years of age at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least thirty (30) days. The person shall apply for an operator's license in the office of the circuit clerk of the county where he lives. The application form shall require the applicant's full legal name and signature, date of birth, Social Security number, sex, present resident address, other information necessary to permit the application to also serve as an application for voter registration, and brief physical description of the applicant. If the person is not a United States citizen, the application form shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services and, if applicable, a photographic copy of the person's international driving permit. All applications shall state:

(a) If the applicant has previously been licensed as an operator and by what nation or state; and

(b) Other information the cabinet may require by administrative regulation promulgated pursuant to KRS Chapter 13A.

(2) The Transportation Cabinet shall issue a plastic laminated operator's license bearing a color photograph of the applicant. The photograph shall be taken by the circuit clerk so that one (1) exposure will photograph the applicant and the application simultaneously, using the process determined under provisions of KRS 186.413. When taking the photograph, the applicant shall be prohibited from wearing sunglasses or any other attire that obscures any features of the applicant's face as determined by the clerk. The clerk shall require an applicant to remove sunglasses or other obscuring attire before taking the photograph required by this subsection. Any person who refuses to remove sunglasses or other attire prohibited by this section as directed by the clerk shall be prohibited from receiving an operator's license. The plastic laminated operator's license issued by the cabinet shall not contain the applicant's Social Security number. The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A that develop a numbering system that uses an identification system other than Social Security numbers. The license shall also designate by color coding and use the phrase "under 21" if the licensee is under the age of twenty-one (21); "CDL" if the license is issued pursuant to KRS Chapter 281A; or "under 21 CDL" if the licensee holds a commercial driver's license issued pursuant to KRS Chapter 281A and is under the age of twenty-one (21).

(3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.

(4) The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. The temporary license shall be valid in lieu of the permanent license during the certification period and shall be destroyed upon receipt of the permanent operator's license.

(5) The circuit clerk shall issue a color photo nondriver's identification card to any person who resides in the county who applies in person in the office of the circuit clerk. A nondriver's identification card shall be subject to the provisions of this section. An application for a nondriver's identification card shall be accompanied by a signed Social Security card and a

birth certificate, or other proof of the applicant's date of birth provided under subsection (1) of this section. If the person is not a United States citizen, an application for a nondriver's identification card shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services. The application shall require the applicant to provide his or her full legal name and most current resident address that may include, but is not limited to, a mailing address, post office box, or an address provided on a voter registration card. If an applicant for a nondriver's identification card is under the age of twenty-one (21), the applicant's most current resident address shall be required unless a current resident address is not available, in which case a mailing address, post office box, or an address provided on a voter registration card may be used. Every applicant for a nondriver's identification card shall make an oath to the circuit clerk as to the truthfulness of the statements contained on the application form. If the applicant is not the legal possessor of the address provided on the application form, the applicant shall swear that he has permission from the legal possessor to use the address for purposes of obtaining the nondriver's identification card. The nondriver's identification card shall designate by color coding and by use of the phrase "under 21" if the applicant is under the age of twenty-one (21).

(6) *The Transportation Cabinet shall implement a voluntary statewide child identification program. The program shall issue a color photo nondriver's identification card to a child two (2) to fifteen (15) years of age. Application for a child identification card shall be accompanied by a Social Security card and a birth certificate for the child, or other proof of the child's date of birth as provided under subsection (1) of this section. The card shall contain the child's name and the toll-free number of the Kentucky Missing Person Clearinghouse, Kentucky State Police. The card shall not contain the child's Social Security number. The cabinet shall set a four dollar ($4) fee for the child identification card. Two dollars ($2) of the fee shall be used to cover the cabinet's cost for equipment and supplies. Two dollars ($2) of the fee shall be an administrative fee for issuing the card and shall be used to assist the circuit clerks in hiring additional deputy clerks. The administrative fee shall be paid directly to the circuit clerks and deposited in a trust and agency account to the credit of the Administrative Office of the Courts. The card shall expire every four (4) years on the child's birthday. Within the time period that the child identification card is valid, the card may be updated with a new photograph and information. The fee for an updated card shall be four dollars ($4), with two dollars ($2) of the fee going to the cabinet and two dollars ($2) going to the Administrative Office of the Courts. The descriptive data and a photo image of the child shall be stored in the Kentucky Driver's License Information System and may be retrieved and used by public agencies subject to the provisions of the Driver Privacy Protection Act, 18 U.S.C. sec. 2721, and may also be used by the Kentucky Missing Persons Clearinghouse.*

(7) Licensed drivers temporarily out-of-county may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature."

(8)[~~(7)~~] If a citizen of the Commonwealth currently serving in the United States military is stationed or assigned to a base or other location outside the boundaries of the Commonwealth, the citizen may renew a Class D operator's license issued under this section by mail. If the citizen was issued an "under 21" operator's license, upon the date of his or her twenty-first birthday, the "under 21" operator's license may be renewed for an operator's license that no longer contains the outdated reference to being "under 21".

(9)[~~(8)~~] A citizen of the Commonwealth renewing an operator's license by mail under subsection *(8)*[~~(7)~~] of this section may have a personal designee apply to the circuit clerk on behalf of the citizen to renew the citizen's operator's license. An operator's license being renewed by mail under subsection *(8)*[~~(7)~~] of this section shall be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature".

(10)[~~(9)~~] If a citizen of the Commonwealth has been serving in the United States military and has allowed his operator's license to expire, he shall, within ninety (90) days of returning to the Commonwealth, be permitted to renew his license without having to take a written test or road test. A citizen who does not renew his license within ninety (90) days of returning to the Commonwealth shall be required to comply with the provisions of this chapter governing renewal of a license that has expired. If a citizen of the Commonwealth has been issued an "under 21" or "under 21 CDL" operator's license and the person is unable to renew the license on the date of his twenty-first birthday, the "under 21" or "under 21 CDL" operator's license shall be valid for ninety (90) days beyond the date of the person's twenty-first birthday.

(11)[~~(10)~~] The cabinet shall provide on each license to operate motor vehicles, motorcycles, and mopeds a space for the licensed driver's:

(a) Blood type;

(b) Medical insignia if the person provides evidence that a medical identification bracelet noting specific physical ailments or a drug allergy is being worn or other proof as may be required by the cabinet; and

(c) A statement whereby the owner of the license may certify in the presence of two (2) witnesses his willingness to make an anatomical gift under KRS 311.195.

(12)[~~(11)~~] If the motor vehicle operator denotes a physical ailment or drug allergy on the operator's license, he may apply for and shall receive, for a fee of one dollar ($1) paid to the circuit clerk, a medical insignia decal that may be affixed to the lower left side of the front windshield of a motor vehicle.

(13)[~~(12)~~] An operator's license pursuant to this section shall be designated a Class D license.

(14)[~~(13)~~] A person shall not have more than one (1) license.

(15)[~~(14)~~] Upon marriage, a woman applying for an operator's license or a color photo nondriver's identification card shall provide the circuit clerk with her marriage license and complete an affidavit form provided by the circuit court clerk. She shall have the following choices in regard to her full legal name as required in subsections (1) and (5) of this section:

(a) Use her husband's last name;

(b) Retain her maiden name;

(c) Use her maiden name hyphenated with her husband's last name;

(d) Use her maiden name as a middle name and her husband's last name as her last name; or

(e) In the case of a previous marriage, retain that husband's last name.

Section 2. This Act takes effect January 1, 2003.

HB 316, AN ACT relating to titling of motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186A.115 is amended to read as follows:

(1) Except as otherwise provided in this section, the owner of every vehicle brought into this state and required to be titled in this state shall, before submitting his application for title to the county clerk, have the vehicle together with his application for title and its supporting documents inspected by a certified inspector in the county in which the application for title is to be submitted to the county clerk.

(a) The certified inspector shall be certified through the Department of Vehicle Regulation following requirements set forth by the department by regulation and shall be designated by the county sheriff. The certified inspector will be held responsible for all certifications required pursuant to this chapter and will be liable for any and all penalties prescribed in this chapter, and shall be available during regular office hours at any and all offices and branches that issue applications for titles.

(b) There shall be a five dollar ($5) fee for this certification, payable to the sheriff's office, upon completion of certification.

(c) There shall be an additional fee of ten dollars ($10) per trip when it becomes necessary for the certified inspector to travel to the site of the vehicle rather than bringing the vehicle to the sheriff's inspection area.

(2) The following vehicles are excluded from the requirement of inspection by a certified inspector prior to titling in this state:

(a) New motor vehicles sold by a dealer licensed in this state;

(b) Vehicles required to be registered in this state by reason of lack of a reciprocity agreement with another state and for which a nonnegotiable registration document is to be issued;

(c) Motor vehicles operated by a motor carrier under a nonnegotiable certificate or permit issued by the Department of Vehicle Regulation;

(d) Motor vehicles owned by servicemen or servicewomen who are residents of Kentucky stationed outside of Kentucky may be inspected by the post provost or similar officer of the camp, post, or station. The post provost or similar officer shall submit an affidavit stating the name of the owner, the identification or serial number, the make, body style, current license or title number, if any, and state in which currently registered or titled, if any, of the motor vehicle;[~~ and~~]

(e) ***Motor vehicles purchased in another state, by persons who are residents of Kentucky but are temporarily residing out of state for at least thirty (30) days after the purchase while attending school or on business related to the person's employment, may be inspected by the state police, a local law enforcement agency, or the vehicle inspection program of another state. If an inspector in another state examines a vehicle under this paragraph, the purchaser may request the inspector complete an affidavit stating the name of the owner, the vehicle identification number, the vehicle make and body style, the current state of registration, if any, and the current vehicle license or title number, if any. The Transportation Cabinet shall post a copy of this affidavit form on the cabinet's internet web site. A person using an inspector in another state under this paragraph shall comply with all requirements of that state's inspection program, including payment of fees charged in that state. A person registering a motor vehicle for the first time in Kentucky under this paragraph shall transmit the application for registration, all supporting documentation, and payment for registration and usage tax to the Transportation Cabinet, which shall register the vehicle; and***

(f) Motor vehicles no longer located in Kentucky but which require inspection in order to issue a corrected Kentucky title due to error in vehicle identification or serial number may be inspected by an inspector authorized to inspect vehicle identification or serial number by the laws of the state or foreign country where application for a new title has been submitted.

(3) When presented to a certified inspector for inspection or to a county clerk for processing, the owner's application for a first

certificate of registration or title in his name shall be accompanied by proof of insurance in compliance with KRS 304.39-080 and one (1) of the following documents as applicable:

(a) If the vehicle is a new vehicle not previously registered in this state, the properly assigned manufacturer's statement of origin for the vehicle for which registration or title is sought;

(b) If the vehicle was last registered in this state, and is a vehicle for which a title is not required in this state, a certificate of registration, or if the vehicle is one for which a certificate of title is required in this state, a properly assigned certificate of title;

(c) If the vehicle was last previously titled in another state, a properly assigned certificate of title;

(d) If the application refers to a vehicle previously registered in another country, the documents of that country establishing ownership of the vehicle;

(e) If the application refers to a vehicle last previously registered in another country by a person on active duty in the Armed Forces of the United States, the county clerk may accept on behalf of the Department of Vehicle Regulation evidence of ownership provided the applicant by the United States Department of Defense; and

(f) If the application relates to a vehicle which has been specially constructed or reconstructed, that fact shall be stated in the application, and the application shall be accompanied by such documents as are specified by administrative regulations of the Department of Vehicle Regulation.

(4) When requested to inspect a vehicle pursuant to this section, the certified inspector shall personally and physically inspect the vehicle, when registration or title is sought in this state, on the following points:

(a) He shall ensure that the application is legible and properly executed to the extent required at the time of execution;

(b) He shall compare the vehicle identification number as appearing on both the vehicle identification number plate, and the federal safety standards label of the vehicle which is sought to be registered or titled, with the corresponding number inscribed on the application, and its supporting documentation, and ensure that the vehicle identification number appearing at each described location appears legitimate and that they are consistent with each other;

(c) He shall examine the primary odometer of the vehicle and legibly record the reading in the space provided in the inspection section of the application; and

(d) After exercising due diligence in inspecting the vehicle, the application, and its supporting documentation, and finding that they appear to be in order, the certified inspector shall execute the preprinted certificate of inspection according to its terms by printing in the spaces provided his first name, middle initial, and last name, and his title; the name of the county in which he serves; and the telephone number including the telephone area code of his agency, and sign in ink his signature in the space provided, and print the month, day, and year in which his inspection was made, certifying under penalty of forgery in the second degree the character, accuracy, and date of his inspection.

(5) The certified inspector shall refrain from executing the certificate of inspection if:

(a) He has not personally and physically inspected the vehicle in accordance with this section;

(b) He has reason to believe that the vehicle displays an unlawfully altered vehicle identification number;

(c) The application and any of its copies are illegible or otherwise improperly executed, or contain information reasonably believed to be inaccurate or fraudulent;

(d) The documentation required in support of any application is not present, or not consistent with the vehicle and the owner's application or appears fraudulent; or

(e) He has probable cause to believe the vehicle is stolen.

The Committee Substitute to **HB 316** is as follows:

HB 316, AN ACT relating to titling of motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186A.115 is amended to read as follows:

(1) Except as otherwise provided in this section, the owner of every vehicle brought into this state and required to be titled in this state shall, before submitting his application for title to the county clerk, have the vehicle together with his application for title and its supporting documents inspected by a certified inspector in the county in which the application for title is to be submitted to the county clerk.

(a) The certified inspector shall be certified through the Department of Vehicle Regulation following requirements set forth by the department by regulation and shall be designated by the county sheriff. The certified inspector will be held responsible for all certifications required pursuant to this chapter and will be liable for any and all penalties prescribed in this chapter, and shall be available during regular office hours at any and all offices and branches that issue applications for titles.

(b) There shall be a five dollar ($5) fee for this certification, payable to the sheriff's office, upon completion of certification.

(c) There shall be an additional fee of ten dollars ($10) per trip when it becomes necessary for the certified inspector to travel to the site of the vehicle rather than bringing the vehicle to the sheriff's inspection area.

(d) An inspection conducted in one (1) county within the Commonwealth of Kentucky under this subsection, and the fees paid for that inspection under this subsection, shall be honored by the certified inspector, sheriff, and county clerk in all other counties within this state. A second inspection shall not be required and additional fees shall not be required.

(2) The following vehicles are excluded from the requirement of inspection by a certified inspector prior to titling in this state:

(a) New motor vehicles sold by a dealer licensed in this state;

(b) Vehicles required to be registered in this state by reason of lack of a reciprocity agreement with another state and for which a nonnegotiable registration document is to be issued;

(c) Motor vehicles operated by a motor carrier under a nonnegotiable certificate or permit issued by the Department of Vehicle Regulation;

(d) Motor vehicles owned by servicemen or servicewomen who are residents of Kentucky stationed outside of Kentucky may be inspected by the post provost or similar officer of the camp, post, or station. The post provost or similar officer shall submit an affidavit stating the name of the owner, the identification or serial number, the make, body style, current license or title number, if any, and state in which currently registered or titled, if any, of the motor vehicle;[~~ and~~]

(e) ***Motor vehicles purchased in another state, by persons who are residents of Kentucky but are temporarily residing out of state for at least thirty (30) days after the purchase while attending school or on business related to the person's employment, may be inspected by the state police, a local law enforcement agency, or the vehicle inspection program of another state. If an inspector in another state examines a vehicle under this paragraph, the purchaser may request the inspector complete an affidavit stating the name of the owner, the vehicle identification number, the vehicle make and body style, the current state of registration, if any, and the current vehicle license or title number, if any. The Transportation Cabinet shall post a copy of this affidavit form on the cabinet's internet web site. A person using an inspector in another state under this paragraph shall comply with all requirements of that state's inspection program, including payment of fees charged in that state. A person registering a motor vehicle for the first time in Kentucky under this paragraph shall transmit the application for registration, all supporting documentation, and payment for registration and usage tax to the county clerk of the county in which the person resides, who shall register the vehicle; and***

(f) Motor vehicles no longer located in Kentucky but which require inspection in order to issue a corrected Kentucky title due to error in vehicle identification or serial number may be inspected by an inspector authorized to inspect vehicle identification or serial number by the laws of the state or foreign country where application for a new title has been submitted.

(3) When presented to a certified inspector for inspection or to a county clerk for processing, the owner's application for a first certificate of registration or title in his name shall be accompanied by proof of insurance in compliance with KRS 304.39-080 and one (1) of the following documents as applicable:

(a) If the vehicle is a new vehicle not previously registered in this state, the properly assigned manufacturer's statement of origin for the vehicle for which registration or title is sought;

(b) If the vehicle was last registered in this state, and is a vehicle for which a title is not required in this state, a certificate of registration, or if the vehicle is one for which a certificate of title is required in this state, a properly assigned certificate of title;

(c) If the vehicle was last previously titled in another state, a properly assigned certificate of title;

(d) If the application refers to a vehicle previously registered in another country, the documents of that country establishing ownership of the vehicle;

(e) If the application refers to a vehicle last previously registered in another country by a person on active duty in the Armed Forces of the United States, the county clerk may accept on behalf of the Department of Vehicle Regulation evidence of ownership provided the applicant by the United States Department of Defense; and

(f) If the application relates to a vehicle which has been specially constructed or reconstructed, that fact shall be stated in the application, and the application shall be accompanied by such documents as are specified by administrative regulations of the Department of Vehicle Regulation.

(4) When requested to inspect a vehicle pursuant to this section, the certified inspector shall personally and physically inspect the vehicle, when registration or title is sought in this state, on the following points:

(a) He shall ensure that the application is legible and properly executed to the extent required at the time of execution;

(b) He shall compare the vehicle identification number as appearing on both the vehicle identification number plate, and the federal safety standards label of the vehicle which is sought to be registered or titled, with the corresponding number inscribed on the application, and its supporting documentation, and ensure that the vehicle identification number appearing at each described location appears legitimate and that they are consistent with each other;

(c) He shall examine the primary odometer of the vehicle and legibly record the reading in the space provided in the inspection section of the application; and

(d) After exercising due diligence in inspecting the vehicle, the application, and its supporting documentation, and finding that they appear to be in order, the certified inspector shall execute the preprinted certificate of inspection according to its terms by printing in the spaces provided his first name, middle initial, and last name, and his title; the name of the county in which he serves; and the telephone number including the telephone area code of his agency, and sign in ink his signature in the space provided, and print the month, day, and year in which his inspection was made, certifying under penalty of forgery in the second degree the character, accuracy, and date of his inspection.

(5) The certified inspector shall refrain from executing the certificate of inspection if:

(a) He has not personally and physically inspected the vehicle in accordance with this section;

(b) He has reason to believe that the vehicle displays an unlawfully altered vehicle identification number;

(c) The application and any of its copies are illegible or otherwise improperly executed, or contain information reasonably believed to be inaccurate or fraudulent;

(d) The documentation required in support of any application is not present, or not consistent with the vehicle and the owner's application or appears fraudulent; or

(e) He has probable cause to believe the vehicle is stolen.

HB 341, AN ACT relating to public safety vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.930 is amended to read as follows:

(1) Upon the approach of an emergency vehicle equipped with, and operating, one (1) or more flashing, rotating, or oscillating red or blue lights, visible under normal conditions from a distance of five hundred (500) feet to the front of such vehicle; or the driver is given audible signal by siren, exhaust whistle, or bell, the driver of every other vehicle shall yield the right-of-way, immediately drive to a position parallel to, and as close as possible to, the edge or curb of the highway clear of any intersection, and stop and remain in such position until the emergency vehicle has passed, except when otherwise directed by a police officer or firefighter.

(2) Upon the approach of any emergency vehicle, operated in conformity with the provisions of subsection (1) of this section, the operator of every vehicle shall immediately stop clear of any intersection and shall keep such position until the emergency vehicle has passed, unless directed otherwise by a police officer or firefighter.

(3) No operator of any vehicle, unless he is on official business, shall follow any emergency vehicle being operated in conformity with the provisions of subsection (1) of this section closer than five hundred (500) feet, nor shall he drive into, or park the vehicle into, or park the vehicle within, the block where the vehicle has stopped in answer to an emergency call or alarm unless he is directed otherwise by a police officer or firefighter.

(4) No vehicle, train, or other equipment shall be driven over any unprotected hose of a fire department when the hose is laid down on any street, private driveway, or track for use at any fire or fire alarm unless the fire department official in command consents that the hose be driven over.

(5) Upon approaching a stationary emergency vehicle ***or public safety vehicle***, when the emergency vehicle ***or public safety vehicle*** is giving a signal by displaying alternately flashing ***yellow,*** red, red and white, red and blue, or blue lights, a person who drives an approaching vehicle shall, while proceeding with due caution:

(a) Yield the right-of-way by moving to a lane not adjacent to that of the authorized emergency vehicle, if:

1. The person is driving on a highway having at least four (4) lanes with not fewer than two (2) lanes proceeding in the same direction as the approaching vehicle; and

2. If it is possible to make the lane change with due regard to safety and traffic conditions; or

(b) Reduce the speed of the vehicle, maintaining a safe speed to road conditions, if changing lanes would be impossible or unsafe.

(6) This section does not operate to relieve the person who drives an emergency vehicle from the duty to operate the vehicle with due regard for the safety of all persons using the highway.

HB 453, AN ACT relating to boating.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 235.250 is amended to read as follows:

(1) It shall be the duty of the operator of a vessel involved in a collision, accident, or other casualty, so far as he can do so without serious danger to his own vessel, crew, and passengers (if any), to render to other persons affected by the collision, accident, or other casualty such assistance as may be practicable and as may be necessary in order to save them from or minimize any danger caused by the collision, accident, or other casualty, and also to give his name, address, and identification of his vessel in writing to any person injured and to the owner of any property damaged in the collision, accident, or other casualty.

(2) In the case of collision, accident, or other casualty involving a vessel, the operator thereof, if the collision, accident, or other casualty results in death or injury to a person or damage to property in excess of ***five hundred dollars ($500)***[~~one hundred dollars ($100)~~], shall file with the department a full description of the collision, accident, or other casualty, including such information as said agency may by regulation require. When the operator of a vessel, who is not the owner of it, cannot submit the casualty or accident report required by subsection (1) of this section, the owner shall submit the casualty or accident report.

Section 2. KRS 235.990 is amended to read as follows:

(1) Any person who violates any of the provisions of this chapter or administrative regulations adopted under this chapter shall be fined not less than fifty dollars ($50) nor more than two hundred dollars ($200). After July 15, 2000, any person who violates KRS 235.230 shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100) and each day the violation continues may constitute a separate offense.

(2) Any person who violates KRS 235.240 shall not be subject to the penalties of KRS Chapter 189A but shall be guilty of a separate offense and subject to a fine of one hundred dollars ($100) to two hundred fifty dollars ($250) for the first offense, a fine of two hundred fifty dollars ($250) to five hundred dollars ($500) for the second offense, and a fine of five hundred dollars ($500) to one thousand dollars ($1,000) or imprisonment in the county jail for not less than thirty (30) days, or both, for the third or subsequent offense. Refusal to submit to a breath alcohol analysis or similar test in violation of KRS 235.240(3) shall be deemed an offense.

(3) ***(a)*** A person may, in addition or in lieu of the penalties specified in subsection (1) or (5) of this section[~~ and in addition to the penalties of subsection (2) of this section~~], be required to take a safe-boating course approved by the department or offered by the United States Coast Guard, Coast Guard Auxiliary, or U.S. Power Squadron and to present the court a certificate documenting successful completion of the course.

(b) A person shall, in addition to the penalties of subsection (2) of this section, be required to take a safe-boating course approved by the department or offered by the United States Coast Guard, Coast Guard Auxiliary, or U.S. Power Squadron and to present the court a certificate documenting successful completion of the course.

(4) After July 15, 2000, any person who violates KRS 235.420 or 235.430 shall be fined not less than fifteen dollars ($15) nor more than one hundred dollars ($100). A person who violates KRS 235.420 or 235.430 shall be fined not less than one hundred dollars ($100) nor more than three hundred dollars ($300) for the second offense, and not less than three hundred dollars ($300) nor more than five hundred dollars ($500) for the third or any subsequent offense.

(5) Any person failing to obey a citation issued in accordance with KRS 235.315 shall be guilty of a separate offense and shall be fined not less than fifty dollars ($50) nor more than two hundred dollars ($200).

(6) Any person who makes a false statement regarding a marine boat toilet on the application for registration or renewal registration for a motorboat shall be fined one hundred dollars ($100). This penalty shall be separate from any other penalty that may be applicable for violation of this chapter.

(7) Any person who resists, obstructs, interferes with, threatens, attempts to intimidate, or in any other manner interferes with any officer in the discharge of his duties, other than a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 150, or the administrative regulations issued under either of these chapters, shall be guilty of a Class A misdemeanor.

(8) Any person who commits a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 150, or the administrative regulations issued under either of these chapters shall be subject to the penalties specified for the offense under KRS Chapter 507 or 508, as appropriate.

(9) Any person who violates KRS 235.203 shall be fined fifty dollars ($50).

HJR 77, A JOINT RESOLUTION naming the "Veterans Memorial Highway" in Clay County.

WHEREAS, the recent attacks on our nation have reminded Americans once again how much this great country depends on our Armed Forces; and

WHEREAS, it is the Armed Forces that defend our great nation from those who perpetrate evil; and

WHEREAS, at home and on foreign battlefields, row upon row of headstones stand as mute testimony to the courage and sacrifice of America's sons and daughters; and

WHEREAS, thousands of patriotic men and women of Clay County have answered their nation's call to service in times of great need, often giving the ultimate sacrifice; and

WHEREAS, our veterans deserve our gratitude and recognition for their devotion and service to our nation and its citizens;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet is directed to name United States Route 421 from the southern city limits of Manchester to the Daniel Boone Parkway the "Veterans Memorial Highway."

Section 2. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs that read "Veterans Memorial Highway" at each end of the route specified in Section 1 of this Resolution.

HJR 79, A JOINT RESOLUTION honoring the memory of Alvin C. Poweleit, M.D.

We pause in humble reverence to pay tribute to a fallen hero, our native son Alvin C. Poweleit, M.D., who has crossed that final bourne from which no traveler returns.

WHEREAS, in 1942, 70,000 American and Filipino soldiers were captured by the Japanese on the Bataan peninsula of Western Luzon, in the Republic of the Philippines; and

WHEREAS, what history has branded "The Bataan Death March" began on April 9, 1942, when these 70,000 prisoners of war were forced to march fifty-five miles from Mariveles, on the southern end of the Bataan peninsula, to San Fernando, where they were taken by rail to Capas, and then forced to march the remaining eight miles to Camp O'Donnell; and

WHEREAS, during the forced march across the Bataan peninsula, the American and Filipino prisoners of war were treated savagely by their captors, being starved, kicked, and beaten, with many who fell along the way bayoneted; and

WHEREAS, of the 70,000 men who began the Bataan Death March, only 54,000 struggled into Camp O'Donnell because almost 10,000 of their compatriots died as a result of the horrific conditions under which they were forced to march -- the remainder were assumed to have escaped into the Philippine jungle, their fate unknown; and

WHEREAS, Alvin C. Poweleit, M.D., found the courage and the fortitude to survive the Bataan Death March and he dedicated his life in search of compassion for his fellow man; and

WHEREAS, Alvin C. Poweleit, M.D., was a respected physician in Northern Kentucky for decades, never turning away anyone in need of medical treatment; and

WHEREAS, Alvin C. Poweleit, M.D., was a benevolent humanitarian who tirelessly worked in a myriad of charitable endeavors; and

WHEREAS, Alvin C. Poweleit, M.D., was a devoted husband and father of three beautiful children;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The members of the General Assembly, both individually and collectively, do hereby posthumously proclaim Alvin C. Poweleit, M.D., to have been an outstanding Kentuckian and exemplary representative of the Commonwealth.

Section 2. The Transportation Cabinet is directed to name the bridges on Interstate 275 in Kenton County over the Licking River at the Campbell County line in the westbound and eastbound lanes, identified as Bridge Numbers B00052 and B00052P, "The Alvin C. Poweleit, M.D., Memorial Bridge."

Section 3. The Transportation Cabinet shall, within thirty (30) days of the effective date of this Resolution, erect signs at each bridge approach to the bridges identified in Section 2 of this Resolution that read "The Alvin C. Poweleit, M.D., Memorial Bridge."

HJR 85, A JOINT RESOLUTION naming the Western Kentucky Veterans Memorial Bridge.

WHEREAS, this nation owes an undying gratitude to the generations of men and women who, from the Revolutionary War forward, have sacrificed their lives to secure the freedoms upon which this nation was founded; and

WHEREAS, September 11th and the subsequent anthrax attacks have served as cruel and painful reminders that the very existence of the United States of America remains under attack both at home and abroad; and

WHEREAS, every American is bursting with pride at the bravery currently being exhibited by our Armed Forces fighting around the globe, as well as those standing fast at home, to protect our way of life; and

WHEREAS, there is no group more deserving of our respect, honor, and tribute than America's veterans;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet shall name the new bridge on United States Route 51 in Ballard County between the City of Wickliffe and Cairo, Illinois over the Willow Slough "The Western Kentucky Veterans Memorial Bridge."

Section 2. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs to each approach of the new bridge on United States Route 51 in Ballard County between the City of Wickliffe and Cairo, Illinois over the Willow Slough that read "The Western Kentucky Veterans Memorial Bridge."

Calendar

HB 244, HB 448, HB 452, HB 104, HCR 12, HB 122, HB 184, HB 194, HB 196, HB 223, HB 411, HB 423, HB 438, HJR 20, HCR 63, HB 180, HB 321, HB 330, HB 332, HB 386, HB 442, HB 446, HB 149, HB 164, HB 234, HB 235, HB 298, HB 409, HCR 38, HB 133, HB 144, HB 146, HB 156, HB 157, HB 171, HB 183, HB 201, HB 338, and **HB 365** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for ten minutes for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 152, HB 79, HB 93, HB 120, HB 177, HB 122, HB 133, HB 157, HB 171, HB 196, HB 201, HB 223, HB 298, HB 321, HB 338, HB 365, HB 386, HB 411, HCR 12, HJR 20,** and **HCR 63** have been posted for passage in the Orders of the Day for February 1, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 180, HB 183, HB 234, HB 409**

Motions, Petitions, and Communications (Continued)

Representative Barrows moved that the rules be suspended to grant floor privileges and to welcome former member Carolyn Kenton. Agreed.

Orders of the Day

HB 288 taken from the Orders of the Day and ordered read at length for the third time.

Representative Stumbo moved that **HB 288** be returned to the Orders of the Day and that it retain its position. Agreed.

HB 218, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riggs moved the adoption of Floor Amendment No. 1 to **HB 218**. Agreed.

Representative Riggs moved that **HB 218**, as amended, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See January 31, 2002, roll call on **HB 218** - Appendix.)

HB 218, as amended, was passed and the title agreed to.

Representative Riggs moved that the vote by which **HB 218**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 325, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative R. Adams moved the adoption of the Committee Substitute to **HB 325**. Agreed.

Representative R. Adams moved that **HB 325**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 90, Nays 0**. (See January 31, 2002, roll call on **HB 325** - Appendix.)

HB 325, by way of Committee Substitute, was passed and the title agreed to.

Representative R. Adams moved that the vote by which **HB 325**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 288 taken from the Orders of the Day. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Clark moved that **HB 288** be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See January 31, 2002, roll call on **HB 288** - Appendix.)

HB 288 was passed and the title agreed to.

Representative P. Clark moved that the vote by which **HB 288** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 23 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ballard moved that **HCR 23** be adopted.

On the roll call the vote was: **Yeas 96, Nays 0**. (See January 31, 2002, roll call on **HCR 23** - Appendix.)

HCR 23 was adopted.

Representative Ballard moved that the vote by which **HCR 23** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 69, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Committee Substitute to **HB 69**. Agreed.

Representative Burch moved that **HB 69**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See January 31, 2002, roll call on **HB 69** - Appendix.)

HB 69, by way of Committee Substitute, was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 69**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 254, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Miller moved the adoption of Floor Amendment No. 2 to **HB 254**. Agreed.

Representative Miller moved that **HB 254**, as amended, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See January 31, 2002, roll call on **HB 254** - Appendix.)

HB 254, as amended, was passed and the title agreed to.

Representative Miller moved that the vote by which **HB 254**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 347 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 347** be passed.

On the roll call the vote was: **Yeas 93, Nays 2**. (See January 31 , 2002, roll call on **HB 347** - Appendix.)

HB 347 was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 347** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 350 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 350** be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See January 31, 2002, roll call on **HB 350** - Appendix.)

HB 350 was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 350** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 393, with Committee Substitute, Committee Amendment, and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Vincent moved the adoption of the Committee Substitute to **HB 393**. Agreed.

Representative Vincent moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 393**. Agreed.

Representative Vincent moved that **HB 393**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See January 31, 2002, roll call on **HB 393** - Appendix.)

HB 393, by way of Committee Substitute, as amended, was passed .

Representative Vincent moved to adopt Committee Title Amendment No. 1 to **HB 393**. Agreed.

Representative Vincent moved that the vote by which **HB 393**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 45, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved the adoption of Floor Amendment No. 1 to **HB 45**. Agreed.

Representative Bruce moved that **HB 45**, as amended, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See January 31, 2002, roll call on **HB 45** - Appendix.)

HB 45, as amended, was passed and the title agreed to.

Representative Bruce moved that the vote by which **HB 45**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 231 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved that **HB 231** be passed.

On the roll call the vote was: **Yeas 91, Nays 0**. (See January 31, 2002, roll call on **HB 231** - Appendix.)

HB 231 was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 231** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 358 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Westrom moved that **HB 358** be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See January 31, 2002, roll call on **HB 358** - Appendix.)

HB 358 was passed and the title agreed to.

Representative Westrom moved that the vote by which **HB 358** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 26 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Coleman moved that **HB 26** be passed.

On the roll call the vote was: **Yeas 92, Nays 3**. (See January 31, 2002, roll call on **HB 26** - Appendix.)

HB 26 was passed and the title agreed to.

Representative Coleman moved that the vote by which **HB 26** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 175, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Crimm moved the adoption of Floor Amendment No. 1 to **HB 175**. Agreed.

Representative Crimm moved that **HB 175**, as amended, be passed.

On the roll call the vote was: **Yeas 46, Nays 41**. (See January 31, 2002, roll call on **HB 175** - Appendix.)

HB 175, as amended, was passed and the title agreed to.

Representative Crimm moved that the vote by which **HB 175**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 258, with Committee Substitute and Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riner moved the adoption of the Committee Substitute to **HB 258**. Agreed.

Representative Riner moved that **HB 258**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See January 31, 2002, roll call on **HB 258** - Appendix.)

HB 258, by way of Committee Substitute, was passed.

Representative Riner moved to adopt Committee Title Amendment No. 1 to **HB 258**. Agreed.

Representative Riner moved that the vote by which **HB 258**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 320 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Graham moved that **HB 320** be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See January 31 , 2002, roll call on **HB 320** - Appendix.)

HB 320 was passed and the title agreed to.

Representative Graham moved that the vote by which **HB 320** was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess until 3:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, Communications (Continued)

A Free Conference Committee Report was filed on **HB 1**.

Representative Stumbo moved to suspend the rules for Announcements, Introductions of Bills and Resolutions, Committee Reports, and to act on Simple Resolutions. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 555, by Representatives Webb and Draud: AN ACT relating to classified employees in local school districts.

HB 556, by Representatives Hall, Branham, Nelson, and J. Turner: AN ACT providing for the establishment and management of a state park.

HB 557, by Representatives Webb and Gray: AN ACT relating to workers' compensation.

HB 558, by Representatives Walton, Marcotte, Draud, Simpson, Kerr, Reinhardt, Callahan, R. Adams, Fischer, and McKee: AN ACT relating to waterways of the Commonwealth.

HR 103, by Representatives Adkins, Vincent, and Pullin: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Anthony T. "Tony" Curnutte.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills have been posted for Committee consideration:

Agriculture and Small Business: **HB 17**

Health and Welfare: **HB 464**

Motions, Petitions, and Communications (Continued)

Representative Wilkey moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Wilkey moved that his vote be changed from "nay" to "yea" on **HB 347**. Agreed.

Representative McKee moved the adoption of the following **HR 101**:

HR 101, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Jean Marsh Palmer.

With deepest respect and admiration, we pay homage and tribute to Jean Marsh Palmer, and we pause in silent reverence for her soul.

WHEREAS, Jean Marsh Palmer was born on September 7, 1918, a native of Harrison County, Kentucky, and she traversed these earthly bounds on January 22, 2002; and

WHEREAS, Jean Marsh Palmer was the loving daughter of the late Dave and Fannie McCauley Marsh, and she also was preceded in death by three loving brothers, Carlos Marsh, N. C. Marsh, and Frank Marsh, and a loving sister, Elizabeth Douglas; she was the devoted wife of sixty-two years to former State Senator Wilson Palmer, and she was the loving mother of five daughters and sons-in-law, Jane and Jerry Lockwood of Jamestown, New York, Joan and Dave Wilson of Brandenburg, and Patsy and Doug Hampton, Susan and Roy Kitchen, and Mary Catherine and Steve Carroll, all of Harrison County; and she was a loving sister to her brother, Henry Dean Marsh, and the proud grandmother of fourteen grandchildren and fifteen great-grandchildren; and

WHEREAS, Jean Marsh Palmer was an esteemed member of the Harrison County community where she was a member of Republican Christian Church; and she also was a member of the Democratic Women's Club, Harrison County Women's Club, Buena Vista Homemakers, and Harrison Memorial Hospital Auxiliary; and

WHEREAS, the passing of Jean Marsh Palmer has left a void that cannot be filled, and she is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Jean Marsh Palmer, and extends to her family and many friends its most profound and deepest sympathy. Her services were held on January 25, 2002, with burial in Battle Grove Cemetery.

Section 2. The passion, dedication, intelligence, and social consciousness Jean Marsh Palmer brought to this Commonwealth will never be forgotten.

Section 3. When the House of Representatives adjourns this day, it does so in loving memory and honor of Jean Marsh Palmer.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Representative Thomas McKee for presentation to the family of Jean Marsh Palmer.

There being no objection **HR 101** was adopted.

Representative Pasley moved the adoption of the following **HR 89**:

HR 89, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Margaret "Peggy" Browne Nicholson.

With deepest respect and admiration, we pay homage and tribute to Margaret "Peggy" Browne Nicholson.

WHEREAS, Margaret "Peggy" Browne Nicholson was born on August 28, 1923, a native of Ashland, Boyd County, Kentucky, and longtime resident of Winchester, Clark County, Kentucky, and she traversed these earthly bounds on January 21, 2002; and

WHEREAS, Margaret "Peggy" Browne Nicholson was the loving daughter of the late Dr. Joseph A. Browne and Alice Kelsey Browne, she was the devoted wife of the late Dr. George E. Nicholson, she was the adored mother of three sons, Nick Nicholson, John Nicholson, and Joe Nicholson, and she was the proud grandmother of five grandchildren; and

WHEREAS, Margaret "Peggy" Browne Nicholson attended Mount St. Joseph College in Ohio, and she was an esteemed member of the Clark County community where she was the first president of Clark County's League of Women Voters, and former district co-chairwoman of John B. Breckinridge's congressional campaigns; she was an active member of the Boonesborough Homemakers Club, and former president of the St. Agatha Academy Parent Teacher Organization; and

WHEREAS, the passing of Margaret "Peggy" Browne Nicholson has left a void that cannot be filled, and she is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Margaret "Peggy" Browne Nicholson, and extends to her family and many friends its most profound and deepest sympathy.

Section 2. When the House of Representatives adjourns this day, it does so in loving memory and honor of Margaret "Peggy" Browne Nicholson.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mr. Nick Nicholson, 4856 Waterside Drive, Lexington, Kentucky 40513.

There being no objection **HR 89** was adopted.

Representative Vincent moved to withdraw **HB 172**. Agreed.

Representative Draud moved to withdraw **HB 24**. Agreed.

Representative Stumbo moved to suspend the rules to allow consideration of the Free Conference Committee Report on **HB 1** on the same day it was received and distributed. Agreed.

Representative P. Clark moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative P. Clark moved that he be recorded as voting "yea" on **HB 69**. Agreed.

Representative J. Lee moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative J. Lee moved that he be recorded as voting "yea" on **HB 353**. Agreed.

Representative Kerr moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Kerr moved that his vote be changed from "nay" to "yea" on **HB 175**. Agreed.

Representative Colter moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Colter moved that her vote be changed from "nay" to "yea" on **HB 175**. Agreed.

Representative Nesler moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Nesler moved that he be recorded as voting "yea" on **HB 231**. Agreed.

Representative Haydon moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Haydon moved that he be recorded as voting "yea" on **HB 348**. Agreed.

Representative Wayne moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Wayne moved that he be recorded as voting "yea" on **HB 251**. Agreed.

Representative Barrows moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 192, HB 52, HB 346, HB 55, HB 32, HB 376, HCR 26,** and **HJR 46**. Agreed.

Senate Message

Announcing passage of **HB 1**.

Message received in regard to **HB 1**: The Senate has adopted the Free Conference Committee Report on **HB 1** and is notifying this Honorable Body that it has repassed the bill as amended in free conference. (Time 4:45 p.m.)

Orders of the Day (Continued)

HB 1 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Stumbo moved the adoption of the following Free Conference Committee Report on **HB 1**. Agreed.

FREE CONFERENCE COMMITTEE REPORT

The Free Conference Committee on **HB 1** has met as provided in the Rules of the House and Senate and hereby reports the following be adopted: Adopt the provisions of the Senate Committee Substitute of **HB 1** with the following changes:

Beginning on page 1, line 1, through page 232, line 2, by deleting all language in its entirety and by inserting the following in lieu thereof:

"Plan HH001A11
Plan SH001A09
Plan CH001A09

SECTION 1. KRS 5.201 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The First Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BALLARD						
CARLISLE						
FULTON						
HICKMAN						
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7025*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7026*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7028*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7029*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7030*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7031*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7032*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7033*	
MCCRACKEN	*B119*		*NEW HOPE-MELBER*	*031300*	*7034*	

MCCRACKEN	B119		NEW HOPE-MELBER	031600	2014	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2017	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2018	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2019	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2020	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2021	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2022	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2023	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2025	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2026	
MCCRACKEN	B125		MASSAC MILAN			
MCCRACKEN	B126		LONE OAK # 3			
MCCRACKEN	C108		LANG			
MCCRACKEN	C110		MAXON			
MCCRACKEN	C112		LAMONT			
MCCRACKEN	C113		GRAHAMVILLE			
MCCRACKEN	C114		WOODVILLE			
MCCRACKEN	C115		RAGLAND			

SECTION 2. KRS 5.202 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Second Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
GRAVES						
MCCRACKEN	A118		FLORENCE STATION			
MCCRACKEN	A120		HARPER # 1			
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1009	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1010	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1011	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1012	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1013	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1014	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1015	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1016	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1017	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1018	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1023	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1024	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1025	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1026	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1027	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1028	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1029	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1030	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1031	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1032	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1033	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1034	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1035	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1036	

MCCRACKEN	B122		HARPER #2			

SECTION 3. KRS 5.203 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Third Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
MCCRACKEN	A104		UNION STATION			
MCCRACKEN	A106		BUTLER			
MCCRACKEN	A108		FARLEY			
MCCRACKEN	A115		WOODLAWN			
MCCRACKEN	A116		HOVEKAMP			
MCCRACKEN	A119		JETTON			
MCCRACKEN	A122		HENDRON # 1			
MCCRACKEN	B102		KENNEDY			
MCCRACKEN	B103		SAVAGE			
MCCRACKEN	B113		PAXTON PARK			
MCCRACKEN	B114		SCHNEIDMAN			
MCCRACKEN	B115		BUDDE			
MCCRACKEN	B116		YANCY			
MCCRACKEN	B118		EMMA MORGAN			
MCCRACKEN	B120		ROLLING HILLS			
MCCRACKEN	B121		LONE OAK #1			
MCCRACKEN	B123		CHEROKEE			
MCCRACKEN	B124		LONE OAK #2			
MCCRACKEN	B129		HENDRON # 4			
MCCRACKEN	C102		GALLMAN			
MCCRACKEN	C103		RIEKE			
MCCRACKEN	C106		WILLIAMS			
MCCRACKEN	C107		CECIL			
MCCRACKEN	C109		CONCORD			
MCCRACKEN	C117		BERNHARD			
MCCRACKEN	C118		ARCADIA			
MCCRACKEN	C119		CARDINAL POINT			
MCCRACKEN	C120		CARSON PARK			
MCCRACKEN	C121		AVONDALE			
MCCRACKEN	C122		COUNTRY CLUB			
MCCRACKEN	C123		REED			
MCCRACKEN	C124		WALLACE PARK			
MCCRACKEN	C125		GOTT			

SECTION 4. KRS 5.204 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CALDWELL						
CRITTENDEN						
LIVINGSTON						
MCCRACKEN	A110		CLARKS RIVER #2			
MCCRACKEN	A112		REIDLAND #1			
MCCRACKEN	A114		CLARKS RIVER #1			
MCCRACKEN	A117		OAKS STATION			

MCCRACKEN	*A121*		*HENDRON # 3*			
MCCRACKEN	*A124*		*OAKDALE*			
MCCRACKEN	*B117*		*HENDRON #2*			

SECTION 5. KRS 5.205 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifth Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CALLOWAY						
TRIGG	*B101*		*WEST CADIZ*			
TRIGG	*B102*		*CANTON #2*			
TRIGG	*F102*		*CANTON 1*			
TRIGG	*G102*		*NORTHWEST CADIZ*			
TRIGG	*X002*		*X002*			

SECTION 6. KRS 5.206 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
LYON						
MARSHALL						
MCCRACKEN	*A113*		*REIDLAND #2*			

SECTION 7. KRS 5.207 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventh Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
DAVIESS	*A101*		*OWENSBORO #1*	*001300*	*1024*	
DAVIESS	*A101*		*OWENSBORO #1*	*001300*	*1025*	
DAVIESS	*A104*		*OWENSBORO #4*			
DAVIESS	*A110*		*OWENSBORO #10*			
DAVIESS	*A112*		*OWENSBORO #12*			
DAVIESS	*A138*		*OWENSBORO #38*			
DAVIESS	*A142*		*OWENSBORO #42*			
DAVIESS	*A143*		*OWENSBORO #43*			
DAVIESS	*A147*		*OWENSBORO #47*			
DAVIESS	*A150*		*OWENSBORO #50*			
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*2008*	
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*2009*	*0102*
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*2019*	*0102*
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*2026*	*0202*
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*2999*	
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*4024*	*0102*
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*4025*	
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*4026*	*0202*
DAVIESS	*B101*		*SOUTHTOWN*	*000600*	*4027*	*0102*
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*1001*	*0305*
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*1008*	
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*1009*	
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*1010*	
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*1011*	
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*1012*	

DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*2003*	*0203*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*2005*	*0102*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*2006*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*3000*	*0103*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*3001*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*3002*	*0102*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*3003*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*3010*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*3020*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4000*	*0203*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4000*	*0303*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4001*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4002*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4003*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4004*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4005*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4016*	*0103*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4016*	*0203*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4017*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4018*	
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4019*	*0202*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4020*	*0202*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4021*	*0102*
DAVIESS	*B101*	*SOUTHTOWN*	*001701*	*4023*	*0102*
DAVIESS	*B101*	*SOUTHTOWN*	*001800*	*1030*	*0202*
DAVIESS	*B101*	*SOUTHTOWN*	*001800*	*1031*	
DAVIESS	*B101*	*SOUTHTOWN*	*001800*	*1032*	
DAVIESS	*B101*	*SOUTHTOWN*	*001800*	*1033*	
DAVIESS	*B101*	*SOUTHTOWN*	*001800*	*1034*	
DAVIESS	*B102*	*NORTHTOWN*			
DAVIESS	*B103*	*ROME*	*001701*	*4016*	*0303*
DAVIESS	*B103*	*ROME*	*001701*	*4019*	*0102*
DAVIESS	*B103*	*ROME*	*001701*	*4020*	*0102*
DAVIESS	*B103*	*ROME*	*001701*	*4021*	*0202*
DAVIESS	*B103*	*ROME*	*001701*	*4022*	
DAVIESS	*B103*	*ROME*	*001701*	*4023*	*0202*
DAVIESS	*B103*	*ROME*	*001701*	*4024*	
DAVIESS	*B103*	*ROME*	*001800*	*1035*	
DAVIESS	*B103*	*ROME*	*001800*	*1036*	*0202*
DAVIESS	*B103*	*ROME*	*001800*	*1037*	
DAVIESS	*B104*	*WESTSIDE*			
DAVIESS	*C101*	*SORGHO*			
DAVIESS	*C102*	*STANLEY*			
DAVIESS	*D102*	*SAINT JOSEPH*			
HENDERSON	*A101*	*HEBBARDSVILLE-BLUFF CITY*			
HENDERSON	*A102*	*REED-BEALS*			
HENDERSON	*B101*	*SOUTH ROBARDS*			
HENDERSON	*B102*	*NORTH ROBARDS*			
HENDERSON	*B104*	*NORTH NIAGARA*			

HENDERSON	B109		SOUTH NIAGARA
HENDERSON	C104		SOUTH CORYDON
HENDERSON	C110		SOUTH CAIRO
UNION			

SECTION 8. KRS 5.208 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CHRISTIAN	A101		COURTHOUSE			
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1019	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1020	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1021	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1022	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1023	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1024	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1033	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1034	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1083	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1084	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1085	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1086	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1087	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1088	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1089	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1090	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1091	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1092	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1093	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1094	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1095	
CHRISTIAN	A102		AARON MCNEIL CENTER	200100	1096	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1013	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1016	0202
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1017	0103
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1018	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1019	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1020	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1021	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1022	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1023	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	2013	0202
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	2015	0102
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	2016	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	2017	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	2018	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	3015	
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	3016	
CHRISTIAN	A103		PARISH HALL	200100	1063	
CHRISTIAN	A103		PARISH HALL	200100	1064	

CHRISTIAN	A103	PARISH HALL	200100	1065	
CHRISTIAN	A103	PARISH HALL	200100	1066	
CHRISTIAN	A103	PARISH HALL	200100	1071	
CHRISTIAN	A103	PARISH HALL	200100	1072	
CHRISTIAN	A103	PARISH HALL	200300	3005	0204
CHRISTIAN	A103	PARISH HALL	200300	3008	0103
CHRISTIAN	A103	PARISH HALL	200300	3008	0203
CHRISTIAN	A103	PARISH HALL	200300	3009	
CHRISTIAN	A103	PARISH HALL	200300	3010	
CHRISTIAN	A103	PARISH HALL	200300	3011	
CHRISTIAN	A103	PARISH HALL	200300	3012	
CHRISTIAN	A103	PARISH HALL	200300	3013	
CHRISTIAN	A103	PARISH HALL	200300	3014	
CHRISTIAN	A103	PARISH HALL	200300	3017	
CHRISTIAN	A103	PARISH HALL	200300	4019	
CHRISTIAN	A103	PARISH HALL	200400	1000	
CHRISTIAN	A103	PARISH HALL	200400	1001	
CHRISTIAN	A103	PARISH HALL	200400	1002	
CHRISTIAN	A103	PARISH HALL	200400	1003	
CHRISTIAN	A103	PARISH HALL	200400	1004	
CHRISTIAN	A103	PARISH HALL	200400	1005	
CHRISTIAN	A103	PARISH HALL	200400	1006	
CHRISTIAN	A103	PARISH HALL	200400	1008	
CHRISTIAN	A103	PARISH HALL	200400	1009	
CHRISTIAN	A103	PARISH HALL	200400	1010	
CHRISTIAN	A103	PARISH HALL	200400	1011	
CHRISTIAN	A103	PARISH HALL	200400	1012	
CHRISTIAN	A103	PARISH HALL	200400	1013	
CHRISTIAN	A103	PARISH HALL	200400	1014	
CHRISTIAN	A103	PARISH HALL	200400	1015	
CHRISTIAN	A103	PARISH HALL	200400	1016	
CHRISTIAN	A103	PARISH HALL	200400	1017	
CHRISTIAN	A103	PARISH HALL	200400	1018	
CHRISTIAN	A103	PARISH HALL	200400	2000	
CHRISTIAN	A103	PARISH HALL	200400	2001	
CHRISTIAN	A103	PARISH HALL	200400	2002	
CHRISTIAN	A103	PARISH HALL	200400	2003	
CHRISTIAN	A103	PARISH HALL	200400	2007	
CHRISTIAN	A104	WALNUT STREET CENTER			
CHRISTIAN	A105	COURTHOUSE II	200100	1000	0203
CHRISTIAN	A105	COURTHOUSE II	200100	1001	0202
CHRISTIAN	A105	COURTHOUSE II	200100	1002	
CHRISTIAN	A105	COURTHOUSE II	200100	1003	0202
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1000	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1001	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1002	0102
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1003	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1007	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1008	

CHRISTIAN	B101	MIDDLE SCHOOL	200200	1009	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1011	0202
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1012	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1013	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1014	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1015	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1016	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1017	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	1018	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2010	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2011	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2012	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2014	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2015	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2016	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2017	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2018	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2019	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2020	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2021	
CHRISTIAN	B101	MIDDLE SCHOOL	200200	2022	
CHRISTIAN	B101	MIDDLE SCHOOL	200300	1009	
CHRISTIAN	B101	MIDDLE SCHOOL	200300	1010	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2000	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2001	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2002	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2003	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2004	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2005	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2006	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2007	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2008	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2009	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2013	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2023	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2025	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2026	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200200	2027	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1000	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1001	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1002	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1003	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1004	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1005	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1006	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1007	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1008	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1009	
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200800	1010	

CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*1011*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*1012*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*1013*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*1014*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*1015*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*1016*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*2000*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*2001*	*0102*
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*2002*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*2003*	
CHRISTIAN	*B102*	*NORTH DRIVE MIDDLE SCHOOL*	*200800*	*2004*	
CHRISTIAN	*C101*	*SECOND BAPTIST ACTIVITIES*			
CHRISTIAN	*C102*	*RECREATION DEPARTMENT*			
CHRISTIAN	*C103*	*FRIENDSHIP HOUSE 1*			
CHRISTIAN	*C104*	*SQUARE DEAL*			
CHRISTIAN	*D101*	*FRIENDSHIP HOUSE 2*			
CHRISTIAN	*D102*	*MILLBROOKE SCHOOL*			
CHRISTIAN	*D103*	*LUTHERAN CHURCH*			
CHRISTIAN	*D104*	*HERNDON*	*200500*	*2006*	*0102*
CHRISTIAN	*D104*	*HERNDON*	*200500*	*2014*	*0102*
CHRISTIAN	*D104*	*HERNDON*	*200500*	*2015*	*0102*
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1020*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2013*	*0103*
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2014*	*0304*
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2021*	*0102*
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2022*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2026*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2027*	
CHRISTIAN	*D104*	*HERNDON*	*200900*	*3013*	*0202*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200600*	*2022*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200900*	*3000*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200900*	*3009*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200900*	*3012*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200900*	*3013*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200900*	*3014*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1005*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1006*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1007*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1008*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1009*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1013*	*0202*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1017*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1019*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1020*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1021*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1022*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1023*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1024*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1025*	

CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1026*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1027*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1028*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1029*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1030*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1031*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1032*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1033*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1049*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1050*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1051*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1052*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*1053*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*2009*	
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*2013*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*201400*	*2014*	*0202*
CHRISTIAN	*D107*	*CALVARY BAPTIST CHURCH*			
CHRISTIAN	*E101*	*PENNYRILE RURAL ELECTRIC*			
CHRISTIAN	*E102*	*BAPTIST LIFE CENTER*			
CHRISTIAN	*E103*	*MORNINGSIDE SCHOOL*			
CHRISTIAN	*E104*	*HOPKINSVILLE HIGH SCHOOL*			
CHRISTIAN	*E105*	*HOPKINSVILLE HIGH SCH #2*			
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*1030*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*1031*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*1032*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2000*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2001*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2002*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2003*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2004*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2005*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2006*	*0202*
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2007*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2008*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2009*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2011*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2012*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2013*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2014*	*0202*
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2015*	*0202*
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2018*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*2019*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1019*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1020*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1021*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1022*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1023*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1024*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1025*	

CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1026*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1027*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1028*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1029*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1030*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1031*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1032*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1033*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*1034*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*2034*	*0202*
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*2058*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*2059*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*2060*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*2061*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200400*	*2062*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200500*	*1018*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200500*	*1019*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200500*	*1020*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200500*	*1021*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2005*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2006*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2007*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2008*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2009*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2010*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2011*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2012*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2013*	*0102*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2014*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2015*	*0202*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3005*	*0104*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3005*	*0304*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3005*	*0404*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3007*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3008*	*0303*
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200300*	*1016*	*0102*
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200300*	*1017*	*0203*
TRIGG	*A101*	*SOUTH CADIZ #1*			
TRIGG	*C101*	*NORTH CADIZ #1*			
TRIGG	*D101*	*CERULEAN-WALLONIA*			
TRIGG	*D103*	*NORTH CADIZ 2*			
TRIGG	*E101*	*ROARING SPRINGS*			
TRIGG	*E102*	*MONTGOMERY*			
TRIGG	*E104*	*SOUTH CADIZ 2*			
TRIGG	*F101*	*LINTON-MAGGIE*			
TRIGG	*G101*	*BETHESDA*			
TRIGG	*X001*	*X001*			

SECTION 9. KRS 5.209 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CHRISTIAN	*A102*		*AARON MCNEIL CENTER*	*200300*	*1014*	*0104*
CHRISTIAN	*A102*		*AARON MCNEIL CENTER*	*200300*	*1014*	*0304*
CHRISTIAN	*A102*		*AARON MCNEIL CENTER*	*200300*	*1014*	*0404*
CHRISTIAN	*A102*		*AARON MCNEIL CENTER*	*200300*	*1015*	*0102*
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*3006*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4001*	*0103*
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4001*	*0303*
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4002*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4003*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4004*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4005*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4006*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4007*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4008*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4009*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4010*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4011*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4012*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4013*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4014*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4015*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4016*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4017*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4018*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4020*	*0202*
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4021*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4026*	
CHRISTIAN	*A103*		*PARISH HALL*	*200300*	*4050*	*0102*
CHRISTIAN	*A103*		*PARISH HALL*	*201200*	*2015*	*0102*
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1002*	
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1003*	
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1004*	*0202*
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1005*	*0404*
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1006*	
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1007*	
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1008*	
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1011*	*0102*
CHRISTIAN	*A105*		*COURTHOUSE II*	*200300*	*1012*	
CHRISTIAN	*B101*		*MIDDLE SCHOOL*	*200300*	*1005*	*0104*
CHRISTIAN	*B101*		*MIDDLE SCHOOL*	*200300*	*1005*	*0304*
CHRISTIAN	*B101*		*MIDDLE SCHOOL*	*200300*	*1011*	*0202*
CHRISTIAN	*B102*		*NORTH DRIVE MIDDLE SCHOOL*	*200300*	*1004*	*0102*
CHRISTIAN	*B102*		*NORTH DRIVE MIDDLE SCHOOL*	*200300*	*1005*	*0204*
CHRISTIAN	*B103*		*NEW PALESTINE BAPT CHURCH*			
CHRISTIAN	*C105*		*SINKING FORK SCHOOL*			

CHRISTIAN	*D104*	*HERNDON*	*200500*	*2016*	
CHRISTIAN	*D104*	*HERNDON*	*200500*	*2017*	
CHRISTIAN	*D104*	*HERNDON*	*200500*	*3014*	
CHRISTIAN	*D104*	*HERNDON*	*200500*	*3015*	
CHRISTIAN	*D104*	*HERNDON*	*200500*	*3016*	
CHRISTIAN	*D104*	*HERNDON*	*200500*	*3017*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1021*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1022*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1023*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1024*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1025*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1026*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1027*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1028*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1029*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1030*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*1031*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2023*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2024*	
CHRISTIAN	*D104*	*HERNDON*	*200600*	*2025*	
CHRISTIAN	*D104*	*HERNDON*	*200900*	*3015*	
CHRISTIAN	*D104*	*HERNDON*	*200900*	*3016*	*0102*
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1000*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1001*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1002*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1003*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1004*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1034*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1035*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1041*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*1044*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2001*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2002*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2003*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2004*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2005*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2006*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2007*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2008*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2011*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2012*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2013*	*0202*
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2026*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2027*	
CHRISTIAN	*D104*	*HERNDON*	*201400*	*2030*	*0202*
CHRISTIAN	*D105*	*LAFAYETTE*			
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200600*	*2023*	*0102*
CHRISTIAN	*D106*	*SOUTH UNION BAPT CHURCH*	*200900*	*3016*	*0202*
CHRISTIAN	*F101*	*NORTH PEMBROKE*			

CHRISTIAN	*F102*	*SOUTH PEMBROKE*			
CHRISTIAN	*F103*	*ST. ELMO*			
CHRISTIAN	*F104*	*OAK GROVE*			
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3000*	*0202*
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3001*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3002*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3003*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3004*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3005*	*0202*
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3006*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3007*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3008*	
CHRISTIAN	*G101*	*SOUTHSIDE CHURCH OF CHR*	*200500*	*3009*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4022*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4023*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4024*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4025*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4027*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4028*	*0202*
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4029*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4030*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4031*	*0202*
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4032*	*0202*
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4033*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4034*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4035*	
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4036*	*0202*
CHRISTIAN	*G102*	*HILLCREST BAPTIST CHURCH*	*200300*	*4039*	*0102*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2001*	*0202*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2002*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2003*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*2004*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3000*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3001*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3002*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3003*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*3004*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*4000*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*4001*	*0203*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*4020*	*0102*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*4031*	*0102*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*4032*	*0102*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*200300*	*4050*	*0202*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2013*	*0102*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2014*	*0202*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2015*	*0202*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2016*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2017*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2018*	

CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2019*	*0102*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201200*	*2020*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201300*	*1003*	*0202*
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201300*	*1004*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201300*	*1005*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201300*	*1006*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201300*	*1012*	
CHRISTIAN	*G103*	*CHRISTIAN COUNTY RD DEPT.*	*201300*	*1013*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200300*	*1000*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200300*	*1001*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200300*	*1014*	*0204*
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200300*	*1015*	*0202*
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200300*	*1017*	*0303*
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200900*	*1005*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200900*	*1006*	*0102*
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200900*	*1007*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200900*	*1008*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*200900*	*1009*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*201200*	*1030*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*201200*	*1031*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*201200*	*1032*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*201200*	*1035*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*201200*	*1036*	
CHRISTIAN	*H101*	*HICKORY SMOKEHOUSE*	*201200*	*1037*	
CHRISTIAN	*H102*	*WEST CROFTON*			
CHRISTIAN	*H103*	*EAST CROFTON*			
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*200300*	*2000*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*200300*	*2001*	*0102*
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2001*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2002*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2003*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2004*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2005*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2006*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2014*	*0102*
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2019*	*0202*
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2022*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2023*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2024*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2025*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2026*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2027*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2028*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2029*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2035*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2036*	
CHRISTIAN	*H104*	*GAIL'S COUNTRY KITCHEN*	*201200*	*2037*	
CHRISTIAN	*X001*	*X001*			

SECTION 10. KRS 5.210 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Tenth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HOPKINS	A103		NORTONVILLE 2	971300	3007	
HOPKINS	A103		NORTONVILLE 2	971300	3014	
HOPKINS	A103		NORTONVILLE 2	971300	3015	
HOPKINS	A103		NORTONVILLE 2	971300	3016	
HOPKINS	A103		NORTONVILLE 2	971300	3017	
HOPKINS	A103		NORTONVILLE 2	971300	3018	
HOPKINS	A103		NORTONVILLE 2	971300	3019	
HOPKINS	A103		NORTONVILLE 2	971300	3020	
HOPKINS	A103		NORTONVILLE 2	971300	3021	
HOPKINS	A103		NORTONVILLE 2	971300	3042	
HOPKINS	A103		NORTONVILLE 2	971300	3043	
HOPKINS	A103		NORTONVILLE 2	971300	3046	
HOPKINS	A103		NORTONVILLE 2	971300	3051	
HOPKINS	A103		NORTONVILLE 2	971300	3052	
HOPKINS	A103		NORTONVILLE 2	971300	3053	
HOPKINS	A103		NORTONVILLE 2	971300	3059	
HOPKINS	A103		NORTONVILLE 2	971300	3060	
HOPKINS	A103		NORTONVILLE 2	971300	3061	
HOPKINS	A103		NORTONVILLE 2	971300	3062	
HOPKINS	A104		NORTONVILLE 2A	971300	3004	0102
HOPKINS	A104		NORTONVILLE 2A	971300	3005	0102
HOPKINS	A104		NORTONVILLE 2A	971300	3008	
HOPKINS	A104		NORTONVILLE 2A	971300	3009	
HOPKINS	A104		NORTONVILLE 2A	971300	3010	
HOPKINS	A104		NORTONVILLE 2A	971300	3011	
HOPKINS	A104		NORTONVILLE 2A	971300	3012	
HOPKINS	A104		NORTONVILLE 2A	971300	3013	
HOPKINS	A104		NORTONVILLE 2A	971300	3022	
HOPKINS	A104		NORTONVILLE 2A	971300	3023	
HOPKINS	A104		NORTONVILLE 2A	971300	3024	
HOPKINS	A104		NORTONVILLE 2A	971300	3025	
HOPKINS	A104		NORTONVILLE 2A	971300	3026	
HOPKINS	A104		NORTONVILLE 2A	971300	3027	
HOPKINS	A104		NORTONVILLE 2A	971300	3028	
HOPKINS	A104		NORTONVILLE 2A	971300	3029	
HOPKINS	A104		NORTONVILLE 2A	971300	3030	
HOPKINS	A104		NORTONVILLE 2A	971300	3031	
HOPKINS	A104		NORTONVILLE 2A	971300	3032	
HOPKINS	A104		NORTONVILLE 2A	971300	3033	
HOPKINS	A104		NORTONVILLE 2A	971300	3034	
HOPKINS	A104		NORTONVILLE 2A	971300	3035	
HOPKINS	A104		NORTONVILLE 2A	971300	3036	
HOPKINS	A104		NORTONVILLE 2A	971300	3037	
HOPKINS	A104		NORTONVILLE 2A	971300	3038	
HOPKINS	A104		NORTONVILLE 2A	971300	3039	

HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3040*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3041*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3044*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3045*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3047*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3048*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3049*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*3050*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4000*	*0103*
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4009*	*0202*
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4010*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4011*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4012*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4013*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4014*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4015*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4016*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4017*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4018*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4019*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4020*	*0202*
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4025*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4026*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4027*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4028*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4029*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4030*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4031*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4032*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4033*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4034*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4035*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4036*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4998*	
HOPKINS	*A104*	*NORTONVILLE 2A*	*971300*	*4999*	
HOPKINS	*A105*	*MORTONS GAP 3*			
HOPKINS	*A106*	*ST. CHARLES 4*			
HOPKINS	*B101*	*EARLINGTON 5*			
HOPKINS	*B102*	*EARLINGTON 6*			
HOPKINS	*B104*	*MOOSE 31*			
HOPKINS	*B105*	*PARK 34*			
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1032*	*0103*
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1032*	*0303*
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1033*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1034*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1035*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1036*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1037*	*0102*
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1038*	

HOPKINS	*C101*	*HANSON 9A*	*970100*	*1039*	*0102*
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1040*	*0102*
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1045*	*0102*
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1063*	*0102*
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1064*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1067*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1068*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1069*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1070*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1071*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1072*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1073*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1074*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1075*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1076*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1079*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1082*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1083*	
HOPKINS	*C101*	*HANSON 9A*	*970100*	*1084*	
HOPKINS	*C101*	*HANSON 9A*	*970300*	*1011*	*0202*
HOPKINS	*C101*	*HANSON 9A*	*970300*	*1014*	*0202*
HOPKINS	*C101*	*HANSON 9A*	*970700*	*1002*	*0202*
HOPKINS	*C101*	*HANSON 9A*	*970700*	*1003*	
HOPKINS	*C101*	*HANSON 9A*	*970700*	*1004*	
HOPKINS	*C101*	*HANSON 9A*	*970700*	*1005*	*0202*
HOPKINS	*C101*	*HANSON 9A*	*970700*	*1006*	*0202*
HOPKINS	*C101*	*HANSON 9A*	*970700*	*1007*	*0202*
HOPKINS	*C103*	*JAMES MADISON 19*			
HOPKINS	*C104*	*JAMES MADISON 19A*			
HOPKINS	*C105*	*PARK 20*			
HOPKINS	*D101*	*FAIRGROUNDS 21*			
HOPKINS	*D102*	*WEST BROADWAY 22*			
HOPKINS	*D103*	*PRIDE 24*			
HOPKINS	*D104*	*PRIDE 29*			
HOPKINS	*D105*	*STATE HIGHWAY DEPT 33*			
HOPKINS	*D106*	*STATE HIGHWAY DEPT 33 A*			
HOPKINS	*E103*	*WEST HOPKINS 12*			
HOPKINS	*E104*	*WEST BROADWAY 25*			
HOPKINS	*E105*	*MANITOU 30*			
HOPKINS	*F101*	*EARLINGTON 7*			
HOPKINS	*F102*	*DAWSON 13*			
HOPKINS	*F103*	*DAWSON 14*			
HOPKINS	*F104*	*DAWSON 15*			
HOPKINS	*F105*	*CHARLESTON 16*			
HOPKINS	*F106*	*ILSLEY 17*			
HOPKINS	*G101*	*RICHLAND 18*			
HOPKINS	*G102*	*PARK 23*			
HOPKINS	*G103*	*ELKS 26*			
HOPKINS	*G104*	*ELKS 27*			

HOPKINS	*G105*	*LEGION 28*
HOPKINS	*G106*	*LEGION 28 A*
HOPKINS	*G107*	*ELKS 32*

SECTION 11. KRS 5.211 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eleventh Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
HENDERSON	*A107*		*FRONTIER*			
HENDERSON	*A108*		*GRANTWOOD*			
HENDERSON	*A109*		*BALMORAL*			
HENDERSON	*A110*		*BASKETT*			
HENDERSON	*A111*		*SPOTTSVILLE*			
HENDERSON	*A112*		*WOLF HILLS*			
HENDERSON	*A113*		*PEBBLE CREEK*			
HENDERSON	*B103*		*ANTHOSTON*			
HENDERSON	*B105*		*NORTH ZION*			
HENDERSON	*B106*		*SOAPER*			
HENDERSON	*B108*		*HIGHLANDER*			
HENDERSON	*B110*		*SOUTH ZION*			
HENDERSON	*B111*		*LARUE*			
HENDERSON	*C102*		*NORTH CAIRO*			
HENDERSON	*C103*		*NORTH CORYDON*			
HENDERSON	*C105*		*SMITH MILLS*			
HENDERSON	*C106*		*GENEVA*			
HENDERSON	*C107*		*WEAVERTON*			
HENDERSON	*C109*		*PENNYRILE*			
HENDERSON	*D101*		*HARRIS*			
HENDERSON	*D102*		*BELLS*			
HENDERSON	*D103*		*AUDUBON HEIGHTS*			
HENDERSON	*D106*		*KAVANAUGH*			
HENDERSON	*D108*		*FAIR*			
HENDERSON	*E101*		*YOUNG*			
HENDERSON	*E103*		*HART*			
HENDERSON	*E105*		*KIMMEL*			
HENDERSON	*E106*		*NEWCOMB*			
HENDERSON	*E107*		*RICHARDSON*			
HENDERSON	*E108*		*BEND GATE*			

SECTION 12. KRS 5.212 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twelfth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*3019*	
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*4009*	
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*4010*	
DAVIESS	*B101*		*SOUTHTOWN*	*001701*	*4012*	
DAVIESS	*B103*		*ROME*	*001701*	*4011*	
DAVIESS	*B103*		*ROME*	*001701*	*4013*	
DAVIESS	*B103*		*ROME*	*001701*	*4014*	
DAVIESS	*B103*		*ROME*	*001701*	*4015*	

DAVIESS	B103	ROME	001703	3004	
DAVIESS	B103	ROME	001800	1038	
DAVIESS	B103	ROME	001800	1039	
DAVIESS	B103	ROME	001800	1040	
DAVIESS	B103	ROME	001800	2027	
DAVIESS	B103	ROME	001800	2028	
DAVIESS	B103	ROME	001800	3000	
DAVIESS	B103	ROME	001800	3001	
DAVIESS	B103	ROME	001800	3002	
DAVIESS	B103	ROME	001800	3003	
DAVIESS	B103	ROME	001800	3004	0102
DAVIESS	B103	ROME	001800	3019	
DAVIESS	B103	ROME	001800	3026	
DAVIESS	B103	ROME	001800	3027	
DAVIESS	B103	ROME	001800	3028	
DAVIESS	B103	ROME	001800	3029	
DAVIESS	B103	ROME	001800	3030	
DAVIESS	D103	WEST LOUISVILLE			
DAVIESS	E101	SNYDER			
DAVIESS	E102	PLEASANT RIDGE			
DAVIESS	E103	UTICA EAST			
DAVIESS	E104	UTICA WEST			
DAVIESS	F102	MASONVILLE			
DAVIESS	F103	HABIT			
DAVIESS	H101	FIELDS			
HOPKINS	C101	HANSON 9A	970100	1047	0102
HOPKINS	C101	HANSON 9A	970100	1048	0103
HOPKINS	C101	HANSON 9A	970100	1048	0303
HOPKINS	C101	HANSON 9A	970100	1052	0102
HOPKINS	C101	HANSON 9A	970100	1053	
HOPKINS	C101	HANSON 9A	970100	1054	
HOPKINS	C101	HANSON 9A	970100	1055	
HOPKINS	C101	HANSON 9A	970100	1056	
HOPKINS	C101	HANSON 9A	970100	1057	
HOPKINS	C101	HANSON 9A	970100	1058	
HOPKINS	C101	HANSON 9A	970100	1059	
HOPKINS	C101	HANSON 9A	970100	1060	
HOPKINS	C101	HANSON 9A	970100	1061	
HOPKINS	C101	HANSON 9A	970100	1062	0102
HOPKINS	C101	HANSON 9A	970100	1065	
HOPKINS	C101	HANSON 9A	970100	1066	
HOPKINS	C101	HANSON 9A	970100	1085	
HOPKINS	C101	HANSON 9A	970100	2007	0102
HOPKINS	C101	HANSON 9A	970100	2008	0202
HOPKINS	C101	HANSON 9A	970100	2023	
HOPKINS	C101	HANSON 9A	970100	2024	
HOPKINS	C101	HANSON 9A	970100	2025	
HOPKINS	C101	HANSON 9A	970100	2026	
HOPKINS	C101	HANSON 9A	970100	2027	

HOPKINS	C101	HANSON 9A	970100	2032
HOPKINS	C101	HANSON 9A	970100	2033
HOPKINS	C101	HANSON 9A	970100	2059
HOPKINS	C101	HANSON 9A	970100	2060
HOPKINS	C101	HANSON 9A	970100	2061
HOPKINS	C101	HANSON 9A	970100	2062
HOPKINS	C101	HANSON 9A	970100	2063
HOPKINS	C101	HANSON 9A	970100	2083
HOPKINS	C101	HANSON 9A	970100	2084
HOPKINS	C101	HANSON 9A	970100	2086
HOPKINS	C101	HANSON 9A	970100	2087
HOPKINS	C101	HANSON 9A	970100	2088
HOPKINS	C101	HANSON 9A	970100	2089
HOPKINS	C101	HANSON 9A	970300	1003
HOPKINS	C101	HANSON 9A	970300	1004
HOPKINS	C101	HANSON 9A	970300	1005
HOPKINS	C101	HANSON 9A	970300	1012
HOPKINS	C101	HANSON 9A	970300	1013
HOPKINS	C101	HANSON 9A	970300	1068
HOPKINS	C102	ASHBYBURG 10		
HOPKINS	E101	HANSON 9		
HOPKINS	E102	NEBO 11		
MCLEAN				
WEBSTER				

SECTION 13. KRS 5.213 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirteenth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
DAVIESS	A101		OWENSBORO #1	000200	1001	0102
DAVIESS	A101		OWENSBORO #1	000200	1009	
DAVIESS	A101		OWENSBORO #1	000200	1010	
DAVIESS	A101		OWENSBORO #1	000200	1011	
DAVIESS	A101		OWENSBORO #1	000200	1012	
DAVIESS	A101		OWENSBORO #1	000200	1013	
DAVIESS	A101		OWENSBORO #1	000200	1999	0102
DAVIESS	A101		OWENSBORO #1	001300	1005	
DAVIESS	A101		OWENSBORO #1	001300	1006	
DAVIESS	A101		OWENSBORO #1	001300	1008	
DAVIESS	A101		OWENSBORO #1	001300	1009	0202
DAVIESS	A101		OWENSBORO #1	001300	1010	
DAVIESS	A101		OWENSBORO #1	001300	1011	
DAVIESS	A101		OWENSBORO #1	001300	1012	
DAVIESS	A101		OWENSBORO #1	001300	1013	
DAVIESS	A101		OWENSBORO #1	001300	1014	
DAVIESS	A101		OWENSBORO #1	001300	1015	
DAVIESS	A101		OWENSBORO #1	001300	1016	
DAVIESS	A101		OWENSBORO #1	001300	1023	
DAVIESS	A101		OWENSBORO #1	001300	1027	
DAVIESS	A101		OWENSBORO #1	001300	1028	

DAVIESS	A102	OWENSBORO #2
DAVIESS	A103	OWENSBORO #3
DAVIESS	A105	OWENSBORO #5
DAVIESS	A106	OWENSBORO #6
DAVIESS	A107	OWENSBORO #7
DAVIESS	A108	OWENSBORO #8
DAVIESS	A109	OWENSBORO #9
DAVIESS	A111	OWENSBORO #11
DAVIESS	A113	OWENSBORO #13
DAVIESS	A114	OWENSBORO #14
DAVIESS	A116	OWENSBORO #16
DAVIESS	A118	OWENSBORO #18
DAVIESS	A119	OWENSBORO #19
DAVIESS	A120	OWENSBORO #20
DAVIESS	A121	OWENSBORO #21
DAVIESS	A122	OWENSBORO #22
DAVIESS	A123	OWENSBORO #23
DAVIESS	A124	OWENSBORO #24
DAVIESS	A125	OWENSBORO #25
DAVIESS	A126	OWENSBORO #26
DAVIESS	A127	OWENSBORO #27
DAVIESS	A128	OWENSBORO #28
DAVIESS	A129	OWENSBORO #29
DAVIESS	A130	OWENSBORO #30
DAVIESS	A131	OWENSBORO #31
DAVIESS	A132	OWENSBORO #32
DAVIESS	A133	OWENSBORO #33
DAVIESS	A134	OWENSBORO #34
DAVIESS	A135	OWENSBORO #35
DAVIESS	A136	OWENSBORO #36
DAVIESS	A137	OWENSBORO #37
DAVIESS	A139	OWENSBORO #39
DAVIESS	A140	OWENSBORO #40
DAVIESS	A141	OWENSBORO #41
DAVIESS	A144	OWENSBORO #44
DAVIESS	A145	OWENSBORO #45
DAVIESS	A148	OWENSBORO #48
DAVIESS	H106	RIVERVIEW

SECTION 14. KRS 5.214 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourteenth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
DAVIESS	A115		OWENSBORO #15			
DAVIESS	A146		OWENSBORO #46			
DAVIESS	F101		WHITESVILLE SOUTH			
DAVIESS	F104		WHITESVILLE NORTH			
DAVIESS	G101		KNOTTSVILLE SOUTH			
DAVIESS	H102		NORTH SEVEN HILLS			
DAVIESS	H103		PHILPOT WEST			

DAVIESS	*H104*	*LOCKHART*
DAVIESS	*H105*	*TOLLGATE*
DAVIESS	*H107*	*ENSOR*
DAVIESS	*H108*	*SOUTH SEVEN HILLS*
DAVIESS	*H109*	*THOROBRED EAST*
DAVIESS	*H110*	*PHILPOT EAST*
DAVIESS	*H111*	*GRAHAM*
DAVIESS	*H112*	*PLEASANT VALLEY*
DAVIESS	*H113*	*WINDRIDGE*
DAVIESS	*H114*	*THOROBRED WEST*
OHIO		

SECTION 15. KRS 5.215 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifteenth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*200900*	*1000*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*200900*	*1001*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*200900*	*1002*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*200900*	*1003*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*200900*	*1004*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*200900*	*1019*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1070*	*0102*
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1072*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1073*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1074*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1075*	*0303*
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1076*	*0102*
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1080*	*0202*
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201100*	*1081*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1022*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1023*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1024*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1025*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1026*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1027*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1028*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1029*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1033*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1034*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1038*	
CHRISTIAN	*H101*		*HICKORY SMOKEHOUSE*	*201200*	*1997*	
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1001*	*0102*
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1002*	*0102*
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1009*	*0102*
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1010*	*0102*
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1013*	
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1014*	
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1015*	*0102*
CHRISTIAN	*H104*		*GAIL'S COUNTRY KITCHEN*	*201200*	*1016*	*0102*

CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1017	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1018	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1019	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1020	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1021	0102
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1039	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1040	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	1998	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2000	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2007	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2008	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2009	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2010	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2011	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2012	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2013	0202
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2999	
CHRISTIAN	H105	LACY SCHOOL			
CHRISTIAN	H106	FRUIT HILL BAPTIST CHURCH			
HOPKINS	A101	WHITE PLAINS 1			
HOPKINS	A102	WHITE PLAINS 1A			
HOPKINS	A103	NORTONVILLE 2	971300	2005	
HOPKINS	A103	NORTONVILLE 2	971300	2006	0202
HOPKINS	A103	NORTONVILLE 2	971300	2007	
HOPKINS	A103	NORTONVILLE 2	971300	2008	
HOPKINS	A103	NORTONVILLE 2	971300	2009	
HOPKINS	A103	NORTONVILLE 2	971300	2026	0202
HOPKINS	A103	NORTONVILLE 2	971300	2029	
HOPKINS	A103	NORTONVILLE 2	971300	2030	
HOPKINS	A103	NORTONVILLE 2	971300	2031	0202
HOPKINS	A103	NORTONVILLE 2	971300	2032	
HOPKINS	A103	NORTONVILLE 2	971300	2033	
HOPKINS	A103	NORTONVILLE 2	971300	2034	0202
HOPKINS	A103	NORTONVILLE 2	971300	2035	
HOPKINS	A103	NORTONVILLE 2	971300	2036	0102
HOPKINS	A103	NORTONVILLE 2	971300	2049	0102
HOPKINS	A103	NORTONVILLE 2	971300	2050	0102
HOPKINS	A103	NORTONVILLE 2	971300	3000	0102
HOPKINS	A103	NORTONVILLE 2	971300	3006	
HOPKINS	A103	NORTONVILLE 2	971300	3054	
HOPKINS	A103	NORTONVILLE 2	971300	3055	
HOPKINS	A103	NORTONVILLE 2	971300	3056	
HOPKINS	A103	NORTONVILLE 2	971300	3057	
HOPKINS	A103	NORTONVILLE 2	971300	3058	
HOPKINS	A103	NORTONVILLE 2	971300	3063	
HOPKINS	A103	NORTONVILLE 2	971300	3064	
HOPKINS	A103	NORTONVILLE 2	971300	4041	
HOPKINS	A103	NORTONVILLE 2	971300	4042	
HOPKINS	A103	NORTONVILLE 2	971300	4043	

HOPKINS	A103		NORTONVILLE 2	971300	4044	
HOPKINS	A103		NORTONVILLE 2	971300	4045	
HOPKINS	A103		NORTONVILLE 2	971300	4046	
HOPKINS	A103		NORTONVILLE 2	971300	4047	
HOPKINS	A104		NORTONVILLE 2A	971300	4023	0202
HOPKINS	A104		NORTONVILLE 2A	971300	4024	
HOPKINS	A104		NORTONVILLE 2A	971300	4037	
HOPKINS	A104		NORTONVILLE 2A	971300	4038	
HOPKINS	A104		NORTONVILLE 2A	971300	4039	0202
HOPKINS	A104		NORTONVILLE 2A	971300	4040	0102
HOPKINS	A104		NORTONVILLE 2A	971300	4048	
HOPKINS	B103		ANTON 8			
MUHLENBERG						

SECTION 16. KRS 5.216 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixteenth Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
LOGAN						
TODD						

SECTION 17. KRS 5.217 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventeenth Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BUTLER						
GRAYSON						
HARDIN	C101		EASTVIEW			
HARDIN	C102		STEPHENSBURG			
HARDIN	C103		MEETING CREEK			
HARDIN	C104		WHITE MILLS			

SECTION 18. KRS 5.218 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighteenth Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BRECKINRIDGE						
BULLITT	D101		LEBANON JUNCTION #14			
BULLITT	D102		LEBANON JUNCTION #15			
BULLITT	D103		BERNHEIM #16	021100	1022	0202
BULLITT	D103		BERNHEIM #16	021100	1026	0102
BULLITT	D103		BERNHEIM #16	021100	1027	0102
BULLITT	D103		BERNHEIM #16	021100	1028	
BULLITT	D103		BERNHEIM #16	021100	1029	
BULLITT	D103		BERNHEIM #16	021100	1030	
BULLITT	D103		BERNHEIM #16	021100	1070	
BULLITT	D103		BERNHEIM #16	021100	1071	
BULLITT	D103		BERNHEIM #16	021100	1072	
BULLITT	D103		BERNHEIM #16	021100	1073	
BULLITT	D103		BERNHEIM #16	021100	1074	
BULLITT	D103		BERNHEIM #16	021100	1075	
BULLITT	D103		BERNHEIM #16	021100	1076	

BULLITT	D103	BERNHEIM #16	021100	1077	
BULLITT	D103	BERNHEIM #16	021100	1082	
BULLITT	D103	BERNHEIM #16	021100	1083	
BULLITT	D103	BERNHEIM #16	021100	1084	
BULLITT	D103	BERNHEIM #16	021100	1085	
BULLITT	D103	BERNHEIM #16	021100	1086	
BULLITT	D103	BERNHEIM #16	021100	1087	
BULLITT	D103	BERNHEIM #16	021100	1088	
BULLITT	D103	BERNHEIM #16	021100	1089	
BULLITT	D103	BERNHEIM #16	021100	1090	
BULLITT	D103	BERNHEIM #16	021100	1992	
BULLITT	D103	BERNHEIM #16	021100	3000	0102
BULLITT	D103	BERNHEIM #16	021100	3009	
BULLITT	D103	BERNHEIM #16	021100	3010	
BULLITT	D103	BERNHEIM #16	021100	3011	
BULLITT	D103	BERNHEIM #16	021100	3012	
BULLITT	D103	BERNHEIM #16	021100	3013	
BULLITT	D103	BERNHEIM #16	021100	3014	
BULLITT	D103	BERNHEIM #16	021100	3015	
BULLITT	D103	BERNHEIM #16	021100	3016	
BULLITT	D103	BERNHEIM #16	021100	3017	
BULLITT	D103	BERNHEIM #16	021100	3018	
BULLITT	D103	BERNHEIM #16	021100	3019	
BULLITT	D103	BERNHEIM #16	021100	3020	
BULLITT	D103	BERNHEIM #16	021100	3021	
BULLITT	D103	BERNHEIM #16	021100	3022	
BULLITT	D103	BERNHEIM #16	021100	3023	
BULLITT	D103	BERNHEIM #16	021100	3024	
BULLITT	D103	BERNHEIM #16	021100	3025	
BULLITT	D103	BERNHEIM #16	021100	3026	
BULLITT	D103	BERNHEIM #16	021100	3027	
BULLITT	D103	BERNHEIM #16	021100	3998	
BULLITT	D103	BERNHEIM #16	021200	2046	
BULLITT	D103	BERNHEIM #16	021200	2048	
BULLITT	D103	BERNHEIM #16	021200	2058	
BULLITT	D103	BERNHEIM #16	021200	3000	
BULLITT	D103	BERNHEIM #16	021200	3001	
BULLITT	D103	BERNHEIM #16	021200	3002	
BULLITT	D103	BERNHEIM #16	021200	3003	
BULLITT	D103	BERNHEIM #16	021200	3004	
BULLITT	D103	BERNHEIM #16	021200	3005	
BULLITT	D103	BERNHEIM #16	021200	3006	0203
BULLITT	D103	BERNHEIM #16	021200	3007	
BULLITT	D103	BERNHEIM #16	021200	3008	
BULLITT	D103	BERNHEIM #16	021200	3009	
BULLITT	D103	BERNHEIM #16	021200	3010	
BULLITT	D103	BERNHEIM #16	021200	3011	
BULLITT	D103	BERNHEIM #16	021200	3012	
BULLITT	D103	BERNHEIM #16	021200	3013	

BULLITT	D103	BERNHEIM #16	021200	3014	
BULLITT	D103	BERNHEIM #16	021200	3015	
BULLITT	D103	BERNHEIM #16	021200	3016	
BULLITT	D103	BERNHEIM #16	021200	3017	
BULLITT	D103	BERNHEIM #16	021200	3018	
BULLITT	D103	BERNHEIM #16	021200	3019	
BULLITT	D103	BERNHEIM #16	021200	3020	
BULLITT	D103	BERNHEIM #16	021200	3021	
BULLITT	D103	BERNHEIM #16	021200	3022	
BULLITT	D103	BERNHEIM #16	021200	3023	0202
BULLITT	D103	BERNHEIM #16	021200	3024	
BULLITT	D103	BERNHEIM #16	021200	3025	
BULLITT	D103	BERNHEIM #16	021200	3027	
BULLITT	D103	BERNHEIM #16	021200	3062	0102
BULLITT	D103	BERNHEIM #16	021200	3063	
BULLITT	D103	BERNHEIM #16	021200	3064	
BULLITT	D103	BERNHEIM #16	021200	3065	
BULLITT	D103	BERNHEIM #16	021200	3066	
BULLITT	D103	BERNHEIM #16	021200	3067	
BULLITT	D105	CEDAR GROVE #18	021100	1024	
BULLITT	D105	CEDAR GROVE #18	021100	1025	
BULLITT	D105	CEDAR GROVE #18	021100	1026	0202
BULLITT	D105	CEDAR GROVE #18	021100	1027	0202
BULLITT	D105	CEDAR GROVE #18	021100	2005	
BULLITT	D105	CEDAR GROVE #18	021100	2006	
BULLITT	D105	CEDAR GROVE #18	021100	2022	
BULLITT	D105	CEDAR GROVE #18	021100	2023	
BULLITT	D105	CEDAR GROVE #18	021100	2025	
BULLITT	D105	CEDAR GROVE #18	021100	2026	
BULLITT	D105	CEDAR GROVE #18	021100	2027	
BULLITT	D105	CEDAR GROVE #18	021100	2028	
BULLITT	D105	CEDAR GROVE #18	021100	2029	
BULLITT	D105	CEDAR GROVE #18	021100	3000	0202
BULLITT	D105	CEDAR GROVE #18	021100	3001	
BULLITT	D105	CEDAR GROVE #18	021100	3002	
BULLITT	D105	CEDAR GROVE #18	021100	3003	
BULLITT	D105	CEDAR GROVE #18	021100	3004	
BULLITT	D105	CEDAR GROVE #18	021100	3005	
BULLITT	D105	CEDAR GROVE #18	021100	3006	
BULLITT	D105	CEDAR GROVE #18	021100	3007	
BULLITT	D105	CEDAR GROVE #18	021100	3008	
BULLITT	D105	CEDAR GROVE #18	021100	3028	
BULLITT	D105	CEDAR GROVE #18	021100	3029	
BULLITT	D105	CEDAR GROVE #18	021100	3030	
BULLITT	D105	CEDAR GROVE #18	021100	3031	
BULLITT	D105	CEDAR GROVE #18	021100	3032	
BULLITT	D105	CEDAR GROVE #18	021100	3033	
BULLITT	D105	CEDAR GROVE #18	021100	3034	
BULLITT	D105	CEDAR GROVE #18	021100	3035	

BULLITT	D105	CEDAR GROVE #18	021100	3036	
BULLITT	D105	CEDAR GROVE #18	021100	3999	
BULLITT	D107	CEDAR GROVE #18A			
BULLITT	X001	X001	021200	1000	0202
BULLITT	X001	X001	021200	1003	0102
BULLITT	X001	X001	021200	1003	0202
BULLITT	X001	X001	021200	1998	
BULLITT	X001	X001	021200	2062	0102
DAVIESS	G102	MACEO			
DAVIESS	G103	YELVINGTON SOUTH			
DAVIESS	G104	KNOTTSVILLE NORTH			
DAVIESS	G105	YELVINGTON NORTH			
HANCOCK					
HARDIN	C106	HOWEVALLY	001700	1004	
HARDIN	C106	HOWEVALLY	001700	1005	
HARDIN	C106	HOWEVALLY	001700	1007	
HARDIN	C106	HOWEVALLY	001700	1008	
HARDIN	C106	HOWEVALLY	001700	1009	
HARDIN	C106	HOWEVALLY	001700	1010	
HARDIN	C106	HOWEVALLY	001700	1011	
HARDIN	C106	HOWEVALLY	001700	1012	
HARDIN	C106	HOWEVALLY	001700	1013	
HARDIN	E104	YATES			
HARDIN	F102	RADCLIFF WEST	000400	1002	
HARDIN	F102	RADCLIFF WEST	000400	1003	
HARDIN	F102	RADCLIFF WEST	000400	1004	
HARDIN	F102	RADCLIFF WEST	000400	1005	
HARDIN	F102	RADCLIFF WEST	000400	1006	
HARDIN	F102	RADCLIFF WEST	000400	1007	
HARDIN	F105	FORT KNOX	000200	1000	0202
HARDIN	F105	FORT KNOX	000200	1026	0102
HARDIN	F105	FORT KNOX	000200	1060	
HARDIN	F105	FORT KNOX	000200	1071	
HARDIN	F105	FORT KNOX	000200	1072	
HARDIN	F105	FORT KNOX	000200	1073	
HARDIN	F105	FORT KNOX	000200	1086	
HARDIN	F105	FORT KNOX	000200	1087	
HARDIN	F105	FORT KNOX	000200	1089	
HARDIN	F105	FORT KNOX	000200	1095	0102
HARDIN	F106	RED HILL	000300	1000	
HARDIN	F106	RED HILL	000300	1001	
HARDIN	F106	RED HILL	000300	1002	0202
HARDIN	F106	RED HILL	000300	1003	

SECTION 19. KRS 5.219 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Nineteenth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
EDMONSON						
HART						
LARUE						

SECTION 20. KRS 5.220 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twentieth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
WARREN	A101		WHAYNE SUPPLY			
WARREN	A102		BROADWAY			
WARREN	A103		MUNICIPAL PARK			
WARREN	A104		POTTER GRAY			
WARREN	A107		BRIARWOOD			
WARREN	A108		SHIVE KIEL			
WARREN	A109		GREENWOOD			
WARREN	A110		EASTWOOD			
WARREN	A111		AIRPORT			
WARREN	B101		B.G. TOWERS			
WARREN	B102		11TH ST. FIRE STA.			
WARREN	B103		HILLVIEW			
WARREN	B104		CHURCH ST.			
WARREN	C101		CARVER HARRIS I			
WARREN	C102		CARVER HARRIS II			
WARREN	C103		T C CHERRY SCHOOL			
WARREN	C104		MCNEIL			
WARREN	C105		CABELL			
WARREN	C106		CRESTMOOR	010900	4004	0202
WARREN	C106		CRESTMOOR	010900	4007	
WARREN	C106		CRESTMOOR	010900	4008	
WARREN	C106		CRESTMOOR	010900	4009	
WARREN	C106		CRESTMOOR	010900	4010	
WARREN	C106		CRESTMOOR	010900	4011	
WARREN	C106		CRESTMOOR	010900	4012	
WARREN	C106		CRESTMOOR	010900	5003	0202
WARREN	C106		CRESTMOOR	010900	5004	
WARREN	C106		CRESTMOOR	010900	5005	
WARREN	C106		CRESTMOOR	010900	5006	
WARREN	C106		CRESTMOOR	010900	5007	
WARREN	C106		CRESTMOOR	010900	5008	
WARREN	C106		CRESTMOOR	010900	5009	
WARREN	C106		CRESTMOOR	010900	5010	
WARREN	C106		CRESTMOOR	010900	5013	
WARREN	C106		CRESTMOOR	010900	5014	
WARREN	C106		CRESTMOOR	010900	5015	
WARREN	C106		CRESTMOOR	010900	5016	
WARREN	C106		CRESTMOOR	011000	4012	0103

WARREN	*C106*		*CRESTMOOR*	*011000*	*5000*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5001*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5002*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5003*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5004*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5005*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5006*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5007*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5008*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5009*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5010*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5011*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5012*	*0202*
WARREN	*C106*		*CRESTMOOR*	*011000*	*5013*	
WARREN	*C106*		*CRESTMOOR*	*011000*	*5014*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2008*	*0202*
WARREN	*C108*		*WATTS MILL II*	*010700*	*2010*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2017*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2018*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2019*	*0204*
WARREN	*C108*		*WATTS MILL II*	*010700*	*2019*	*0304*
WARREN	*C108*		*WATTS MILL II*	*010700*	*2019*	*0404*
WARREN	*C108*		*WATTS MILL II*	*010700*	*2020*	*0202*
WARREN	*C108*		*WATTS MILL II*	*010700*	*2021*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2022*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2023*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2024*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2025*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2026*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2027*	*0202*
WARREN	*C108*		*WATTS MILL II*	*010700*	*2028*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2029*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2030*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2031*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2032*	
WARREN	*C108*		*WATTS MILL II*	*010700*	*2033*	
WARREN	*C108*		*WATTS MILL II*	*010800*	*1025*	*0102*
WARREN	*C108*		*WATTS MILL II*	*010800*	*2003*	
WARREN	*C108*		*WATTS MILL II*	*010800*	*2004*	
WARREN	*C108*		*WATTS MILL II*	*010800*	*2005*	
WARREN	*D108*		*MT. VICTOR I*			
WARREN	*D112*		*RIVERVIEW*			
WARREN	*E110*		*MILLERS I*			
WARREN	*F109*		*MT. VICTOR II*			

SECTION 21. KRS 5.221 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-first Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
WARREN	*B105*		*DELAFIELD*			

WARREN	*B106*	*REELS*			
WARREN	*B107*	*GREENMEADOWS*			
WARREN	*B108*	*OCTAGON CASTLE*			
WARREN	*B109*	*MILLERS II*			
WARREN	*C106*	*CRESTMOOR*	*011100*	*1010*	*0202*
WARREN	*C106*	*CRESTMOOR*	*011100*	*1011*	*0102*
WARREN	*C106*	*CRESTMOOR*	*011100*	*1012*	*0102*
WARREN	*C106*	*CRESTMOOR*	*011100*	*1013*	
WARREN	*C106*	*CRESTMOOR*	*011100*	*1014*	
WARREN	*C106*	*CRESTMOOR*	*011100*	*1015*	
WARREN	*C106*	*CRESTMOOR*	*011100*	*1016*	*0104*
WARREN	*C106*	*CRESTMOOR*	*011100*	*1016*	*0304*
WARREN	*C106*	*CRESTMOOR*	*011100*	*1016*	*0404*
WARREN	*C106*	*CRESTMOOR*	*011100*	*1026*	
WARREN	*C106*	*CRESTMOOR*	*011100*	*2004*	*0103*
WARREN	*C107*	*HUNTING CREEK*			
WARREN	*C108*	*WATTS MILL II*	*010700*	*2011*	
WARREN	*C108*	*WATTS MILL II*	*010700*	*2013*	
WARREN	*C108*	*WATTS MILL II*	*010700*	*2014*	
WARREN	*C108*	*WATTS MILL II*	*010700*	*2015*	
WARREN	*C108*	*WATTS MILL II*	*010700*	*2016*	*0202*
WARREN	*C108*	*WATTS MILL II*	*010700*	*2034*	
WARREN	*C108*	*WATTS MILL II*	*010700*	*2035*	
WARREN	*C108*	*WATTS MILL II*	*010700*	*2037*	*0202*
WARREN	*C108*	*WATTS MILL II*	*010700*	*2038*	*0202*
WARREN	*C108*	*WATTS MILL II*	*010700*	*2039*	
WARREN	*C108*	*WATTS MILL II*	*010700*	*3000*	*0303*
WARREN	*C108*	*WATTS MILL II*	*010700*	*3005*	*0102*
WARREN	*C108*	*WATTS MILL II*	*010700*	*3007*	*0202*
WARREN	*C108*	*WATTS MILL II*	*010700*	*3008*	*0202*
WARREN	*D101*	*SMITHS GROVE*			
WARREN	*D102*	*PLUM SPRINGS I*			
WARREN	*D103*	*HYDRO*	*011500*	*3001*	
WARREN	*D103*	*HYDRO*	*011500*	*3002*	
WARREN	*D103*	*HYDRO*	*011600*	*3015*	*0103*
WARREN	*D103*	*HYDRO*	*011600*	*3019*	*0202*
WARREN	*D103*	*HYDRO*	*011600*	*3023*	*0102*
WARREN	*D103*	*HYDRO*	*011600*	*3026*	
WARREN	*D103*	*HYDRO*	*011600*	*3027*	
WARREN	*D103*	*HYDRO*	*011600*	*3028*	
WARREN	*D103*	*HYDRO*	*011600*	*4006*	*0102*
WARREN	*D103*	*HYDRO*	*011600*	*4009*	*0303*
WARREN	*D103*	*HYDRO*	*011600*	*4010*	*0202*
WARREN	*D103*	*HYDRO*	*011600*	*4012*	*0102*
WARREN	*D103*	*HYDRO*	*011600*	*4013*	*0102*
WARREN	*D103*	*HYDRO*	*011600*	*4014*	
WARREN	*D103*	*HYDRO*	*011600*	*4015*	
WARREN	*D103*	*HYDRO*	*011600*	*4016*	
WARREN	*D103*	*HYDRO*	*011600*	*4017*	

WARREN	D103	HYDRO	011600	4018	
WARREN	D103	HYDRO	011600	4019	
WARREN	D103	HYDRO	011600	4020	
WARREN	D103	HYDRO	011600	4021	
WARREN	D103	HYDRO	011600	4022	
WARREN	D103	HYDRO	011600	5021	0102
WARREN	D103	HYDRO	011600	5022	
WARREN	D103	HYDRO	011600	5023	0102
WARREN	D103	HYDRO	011600	5025	0102
WARREN	D103	HYDRO	011600	5026	0103
WARREN	D103	HYDRO	011600	5026	0203
WARREN	D103	HYDRO	011600	5033	
WARREN	D103	HYDRO	011600	5042	
WARREN	D104	OAKLAND			
WARREN	D105	COLLET			
WARREN	D106	WARREN EAST MIDDLE SCH			
WARREN	D111	NORTHGATE			
WARREN	E101	BLUE LEVEL			
WARREN	E102	SANDHILL			
WARREN	E103	RICHARDSVILLE			
WARREN	E104	DAVENPORT			
WARREN	E105	RIVERSIDE			
WARREN	E106	BROWNING			
WARREN	E107	CEDAR GROVE			
WARREN	E108	HADLEY			
WARREN	E109	PLUM SPRINGS II			
WARREN	F101	WOODBURN			
WARREN	F104	ROCKFIELD			
WARREN	F105	RICHPOND			
WARREN	F106	WATTS MILL I	010700	2016	0102
WARREN	F106	WATTS MILL I	010700	2036	
WARREN	F106	WATTS MILL I	010700	2037	0102
WARREN	F106	WATTS MILL I	010700	2038	0102
WARREN	F106	WATTS MILL I	010700	3000	0103
WARREN	F106	WATTS MILL I	010700	3001	
WARREN	F106	WATTS MILL I	010700	3002	
WARREN	F106	WATTS MILL I	010700	3003	
WARREN	F106	WATTS MILL I	010700	3004	
WARREN	F106	WATTS MILL I	010700	3005	0202
WARREN	F106	WATTS MILL I	010700	3006	
WARREN	F106	WATTS MILL I	010700	3007	0102
WARREN	F106	WATTS MILL I	010700	3008	0102
WARREN	F106	WATTS MILL I	010700	3009	
WARREN	F106	WATTS MILL I	010700	3010	
WARREN	F106	WATTS MILL I	010700	3020	
WARREN	F106	WATTS MILL I	010800	2020	
WARREN	F106	WATTS MILL I	010800	3001	
WARREN	F106	WATTS MILL I	010800	3002	
WARREN	F106	WATTS MILL I	010800	3003	

WARREN	*F106*		*WATTS MILL I*	*010800*	*3004*	
WARREN	*F106*		*WATTS MILL I*	*010800*	*3005*	*0103*
WARREN	*F106*		*WATTS MILL I*	*010800*	*3005*	*0303*
WARREN	*F106*		*WATTS MILL I*	*010800*	*3021*	
WARREN	*F106*		*WATTS MILL I*	*010800*	*3022*	
WARREN	*F106*		*WATTS MILL I*	*010800*	*3023*	
WARREN	*F106*		*WATTS MILL I*	*010800*	*3024*	
WARREN	*F106*		*WATTS MILL I*	*011900*	*2001*	*0202*
WARREN	*F106*		*WATTS MILL I*	*011900*	*2002*	*0102*
WARREN	*F107*		*MOTLEY 22*			
WARREN	*F110*		*MOTLEY 21*			
WARREN	*F111*		*MOTLEY 23*			

SECTION 22. KRS 5.222 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-second Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
ALLEN						
SIMPSON						
WARREN	*F102*		*PLANO*			
WARREN	*F103*		*DRAKE*			
WARREN	*F106*		*WATTS MILL I*	*010700*	*3011*	*0203*
WARREN	*F106*		*WATTS MILL I*	*010700*	*3013*	*0202*
WARREN	*F106*		*WATTS MILL I*	*010700*	*3014*	
WARREN	*F106*		*WATTS MILL I*	*010700*	*3015*	
WARREN	*F106*		*WATTS MILL I*	*010700*	*3016*	
WARREN	*F106*		*WATTS MILL I*	*010700*	*3017*	
WARREN	*F106*		*WATTS MILL I*	*010700*	*3018*	
WARREN	*F106*		*WATTS MILL I*	*010700*	*3019*	
WARREN	*F106*		*WATTS MILL I*	*010700*	*3021*	
WARREN	*F106*		*WATTS MILL I*	*010700*	*3022*	*0102*
WARREN	*F106*		*WATTS MILL I*	*010800*	*3000*	*0202*
WARREN	*F106*		*WATTS MILL I*	*010800*	*4022*	*0103*
WARREN	*F106*		*WATTS MILL I*	*010800*	*4023*	
WARREN	*F108*		*ALVATON*			

SECTION 23. KRS 5.223 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-third Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BARREN						
WARREN	*D103*		*HYDRO*	*011600*	*5027*	
WARREN	*D103*		*HYDRO*	*011600*	*5031*	
WARREN	*D103*		*HYDRO*	*011600*	*5032*	
WARREN	*D103*		*HYDRO*	*011600*	*5034*	
WARREN	*D103*		*HYDRO*	*011600*	*5035*	
WARREN	*D103*		*HYDRO*	*011600*	*5036*	
WARREN	*D103*		*HYDRO*	*011600*	*5037*	
WARREN	*D103*		*HYDRO*	*011600*	*5038*	
WARREN	*D103*		*HYDRO*	*011600*	*5039*	
WARREN	*D103*		*HYDRO*	*011600*	*5040*	

WARREN	D103		HYDRO	011600	5041	
WARREN	D103		HYDRO	011600	5043	
WARREN	D103		HYDRO	011600	5044	
WARREN	D103		HYDRO	011600	5045	
WARREN	D103		HYDRO	011600	5046	

SECTION 24. KRS 5.224 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CASEY						
MARION						
PULASKI	A105		FALL BRANCH # 18			
PULASKI	B103		ANSEL # 21			
PULASKI	B106		BUMCOMBE # 24			
PULASKI	B109		MT ZION # 47			
PULASKI	C103		EUBANK #25			

SECTION 25. KRS 5.225 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fifth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HARDIN	A101		VALLEY CREEK			
HARDIN	A102		E-TOWN EAST			
HARDIN	A103		E-TOWN WEST			
HARDIN	A104		ETOWN NORTH			
HARDIN	A106		CHELF			
HARDIN	A107		CENTRAL			
HARDIN	B101		GLENDALE			
HARDIN	B102		SONORA			
HARDIN	B103		SOUTH DIXIE			
HARDIN	B104		UPTON			
HARDIN	B105		VANMETER			
HARDIN	B106		MEMORIAL			
HARDIN	B107		COUNTRY CLUB			
HARDIN	C105		CECILIA			
HARDIN	C106		HOWEVALLY	001700	1000	
HARDIN	C106		HOWEVALLY	001700	1001	
HARDIN	C106		HOWEVALLY	001700	1002	
HARDIN	C106		HOWEVALLY	001700	1003	
HARDIN	C106		HOWEVALLY	001700	1014	
HARDIN	C106		HOWEVALLY	001700	1015	
HARDIN	C106		HOWEVALLY	001700	1016	
HARDIN	C106		HOWEVALLY	001700	1017	
HARDIN	C106		HOWEVALLY	001700	1018	
HARDIN	C106		HOWEVALLY	001700	1019	
HARDIN	C106		HOWEVALLY	001700	1020	
HARDIN	C106		HOWEVALLY	001700	1021	
HARDIN	C106		HOWEVALLY	001700	1022	
HARDIN	C106		HOWEVALLY	001700	1023	
HARDIN	C106		HOWEVALLY	001700	1024	

HARDIN	C106	HOWEVALLY	001700	1025	
HARDIN	C106	HOWEVALLY	001700	1026	
HARDIN	C106	HOWEVALLY	001700	1027	
HARDIN	C106	HOWEVALLY	001700	1028	
HARDIN	C106	HOWEVALLY	001700	1029	
HARDIN	C106	HOWEVALLY	001700	1030	
HARDIN	C106	HOWEVALLY	001700	1031	
HARDIN	C106	HOWEVALLY	001700	1032	
HARDIN	C106	HOWEVALLY	001700	1033	
HARDIN	C106	HOWEVALLY	001700	1040	0102
HARDIN	C106	HOWEVALLY	001700	1041	
HARDIN	C106	HOWEVALLY	001700	1042	0102
HARDIN	C106	HOWEVALLY	001700	2000	
HARDIN	C106	HOWEVALLY	001700	2001	
HARDIN	C106	HOWEVALLY	001700	2002	0202
HARDIN	C106	HOWEVALLY	001700	2003	0202
HARDIN	C106	HOWEVALLY	001700	2014	0202
HARDIN	C106	HOWEVALLY	001700	2015	0202
HARDIN	C106	HOWEVALLY	001700	3003	
HARDIN	C106	HOWEVALLY	001700	3004	
HARDIN	C106	HOWEVALLY	001700	5007	0102
HARDIN	C106	HOWEVALLY	001700	5008	0202
HARDIN	C107	ST.JOHN			
HARDIN	C108	HELMWOOD HEIGHTS			
HARDIN	C109	FLINT HILL			
HARDIN	D101	HELM			
HARDIN	D102	RINEYVILLE NORTH	000901	2002	
HARDIN	D102	RINEYVILLE NORTH	000901	2003	
HARDIN	D102	RINEYVILLE NORTH	000901	2005	
HARDIN	D102	RINEYVILLE NORTH	000901	3004	
HARDIN	D102	RINEYVILLE NORTH	000901	3005	
HARDIN	D102	RINEYVILLE NORTH	000901	3006	
HARDIN	D102	RINEYVILLE NORTH	000901	3007	
HARDIN	D102	RINEYVILLE NORTH	000901	3008	
HARDIN	D102	RINEYVILLE NORTH	000901	3009	
HARDIN	D102	RINEYVILLE NORTH	000901	3010	
HARDIN	D102	RINEYVILLE NORTH	000901	3011	
HARDIN	D102	RINEYVILLE NORTH	000901	3012	
HARDIN	D102	RINEYVILLE NORTH	000901	3013	
HARDIN	D102	RINEYVILLE NORTH	000901	3014	
HARDIN	D102	RINEYVILLE NORTH	000901	3015	
HARDIN	D102	RINEYVILLE NORTH	000901	3016	
HARDIN	D102	RINEYVILLE NORTH	000901	3017	
HARDIN	D102	RINEYVILLE NORTH	000901	3018	
HARDIN	D102	RINEYVILLE NORTH	000901	3019	
HARDIN	D102	RINEYVILLE NORTH	000901	3020	
HARDIN	D102	RINEYVILLE NORTH	000901	3032	
HARDIN	D102	RINEYVILLE NORTH	000901	3033	
HARDIN	D102	RINEYVILLE NORTH	000901	3034	0102

HARDIN	D102		RINEYVILLE NORTH	000901	3035	
HARDIN	D102		RINEYVILLE NORTH	000901	3037	0202
HARDIN	D103		RINEYVILLE SOUTH			
HARDIN	D104		FREEMAN			
HARDIN	D106		OAKLAWN	001200	2000	0202
HARDIN	D106		OAKLAWN	001200	2001	
HARDIN	D106		OAKLAWN	001200	2002	
HARDIN	D106		OAKLAWN	001200	2003	
HARDIN	H103		CITY PARK			
HARDIN	H104		MANTLE			
HARDIN	H105		HIGHLANDS			
HARDIN	H108		LINCOLN TRAIL SOUTH			
HARDIN	H109		LINCOLN TRAIL NORTH			

SECTION 26. KRS 5.226 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HARDIN	D102		RINEYVILLE NORTH	000901	2000	0202
HARDIN	D102		RINEYVILLE NORTH	000901	2001	
HARDIN	D106		OAKLAWN	001001	1029	
HARDIN	D106		OAKLAWN	001001	1030	
HARDIN	D106		OAKLAWN	001200	1000	
HARDIN	D106		OAKLAWN	001200	1001	
HARDIN	D106		OAKLAWN	001200	1002	
HARDIN	D106		OAKLAWN	001200	1003	
HARDIN	D106		OAKLAWN	001200	1004	
HARDIN	D106		OAKLAWN	001200	1017	
HARDIN	D106		OAKLAWN	001200	1018	
HARDIN	D106		OAKLAWN	001200	1019	
HARDIN	D106		OAKLAWN	001200	1020	
HARDIN	D106		OAKLAWN	001200	1021	
HARDIN	D106		OAKLAWN	001200	1022	
HARDIN	D106		OAKLAWN	001200	1023	
HARDIN	D106		OAKLAWN	001200	1024	
HARDIN	D106		OAKLAWN	001200	1047	
HARDIN	D106		OAKLAWN	001200	1048	
HARDIN	D106		OAKLAWN	001200	1049	
HARDIN	D106		OAKLAWN	001200	1050	
HARDIN	D107		PINE VALLEY			
HARDIN	E101		VINE GROVE WEST			
HARDIN	E102		VINE GROVE EAST			
HARDIN	E103		RADCLIFF S.W.			
HARDIN	E106		VINE GROVE SOUTH			
HARDIN	E107		PARKWAY			
HARDIN	F101		RADCLIFF NORTH			
HARDIN	F102		RADCLIFF WEST	000300	1017	
HARDIN	F102		RADCLIFF WEST	000300	1018	
HARDIN	F102		RADCLIFF WEST	000300	1024	
HARDIN	F102		RADCLIFF WEST	000300	1025	

HARDIN	F102	RADCLIFF WEST	000300	1029	
HARDIN	F102	RADCLIFF WEST	000300	1030	
HARDIN	F102	RADCLIFF WEST	000300	2000	
HARDIN	F102	RADCLIFF WEST	000300	2003	
HARDIN	F102	RADCLIFF WEST	000300	3000	
HARDIN	F102	RADCLIFF WEST	000400	1001	
HARDIN	F102	RADCLIFF WEST	000400	1008	
HARDIN	F102	RADCLIFF WEST	000400	1009	
HARDIN	F102	RADCLIFF WEST	000400	1010	
HARDIN	F102	RADCLIFF WEST	000400	1011	
HARDIN	F102	RADCLIFF WEST	000400	1012	
HARDIN	F102	RADCLIFF WEST	000400	1013	
HARDIN	F102	RADCLIFF WEST	000400	1014	
HARDIN	F102	RADCLIFF WEST	000400	1016	
HARDIN	F102	RADCLIFF WEST	000400	1017	
HARDIN	F102	RADCLIFF WEST	000400	1018	
HARDIN	F102	RADCLIFF WEST	000400	1019	
HARDIN	F102	RADCLIFF WEST	000400	2001	
HARDIN	F102	RADCLIFF WEST	000400	2008	
HARDIN	F102	RADCLIFF WEST	000400	2009	
HARDIN	F102	RADCLIFF WEST	000400	2010	
HARDIN	F102	RADCLIFF WEST	000400	2011	
HARDIN	F102	RADCLIFF WEST	000400	2012	
HARDIN	F102	RADCLIFF WEST	000400	3004	
HARDIN	F102	RADCLIFF WEST	000400	3005	
HARDIN	F102	RADCLIFF WEST	000400	3006	
HARDIN	F102	RADCLIFF WEST	000400	3007	
HARDIN	F102	RADCLIFF WEST	000400	3008	
HARDIN	F102	RADCLIFF WEST	000400	3009	
HARDIN	F102	RADCLIFF WEST	000400	3010	
HARDIN	F102	RADCLIFF WEST	000400	4009	
HARDIN	F102	RADCLIFF WEST	000400	4012	
HARDIN	F103	RADCLIFF N.W.			
HARDIN	F104	RADCLIFF EAST			
HARDIN	F105	FORT KNOX	000200	1000	0102
HARDIN	F105	FORT KNOX	000200	1026	0202
HARDIN	F105	FORT KNOX	000200	1074	
HARDIN	F105	FORT KNOX	000200	1075	
HARDIN	F105	FORT KNOX	000200	1076	
HARDIN	F105	FORT KNOX	000200	1077	
HARDIN	F105	FORT KNOX	000200	1078	
HARDIN	F105	FORT KNOX	000200	1079	
HARDIN	F105	FORT KNOX	000200	1080	
HARDIN	F105	FORT KNOX	000200	1081	
HARDIN	F105	FORT KNOX	000200	1082	
HARDIN	F105	FORT KNOX	000200	1083	
HARDIN	F105	FORT KNOX	000200	1084	
HARDIN	F105	FORT KNOX	000200	1085	
HARDIN	F105	FORT KNOX	000200	1090	

HARDIN	*F105*	*FORT KNOX*	*000200*	*1091*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1092*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1093*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1095*	*0202*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1096*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1097*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1098*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1099*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1100*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1101*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1102*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1103*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1104*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1105*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1106*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1107*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1108*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1109*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1110*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1998*	
HARDIN	*F105*	*FORT KNOX*	*000200*	*1999*	
HARDIN	*F105*	*FORT KNOX*	*000400*	*1000*	
HARDIN	*F105*	*FORT KNOX*	*000400*	*1015*	
HARDIN	*F105*	*FORT KNOX*	*000600*	*2011*	
HARDIN	*F105*	*FORT KNOX*	*001001*	*2007*	
HARDIN	*F105*	*FORT KNOX*	*001001*	*3009*	
HARDIN	*F105*	*FORT KNOX*	*001001*	*3026*	
HARDIN	*F106*	*RED HILL*	*000300*	*1008*	
HARDIN	*F106*	*RED HILL*	*000300*	*1009*	
HARDIN	*F106*	*RED HILL*	*000300*	*1010*	
HARDIN	*F106*	*RED HILL*	*000300*	*1011*	
HARDIN	*F106*	*RED HILL*	*000300*	*1012*	
HARDIN	*F106*	*RED HILL*	*000300*	*1013*	
HARDIN	*F106*	*RED HILL*	*000300*	*1014*	
HARDIN	*F106*	*RED HILL*	*000300*	*1015*	
HARDIN	*F106*	*RED HILL*	*000300*	*1016*	
HARDIN	*F106*	*RED HILL*	*000300*	*1019*	
HARDIN	*F106*	*RED HILL*	*000300*	*1020*	
HARDIN	*F106*	*RED HILL*	*000300*	*1021*	
HARDIN	*F106*	*RED HILL*	*000400*	*2002*	
HARDIN	*F106*	*RED HILL*	*000400*	*2003*	
HARDIN	*F106*	*RED HILL*	*000400*	*2004*	
HARDIN	*F106*	*RED HILL*	*000400*	*2005*	
HARDIN	*F106*	*RED HILL*	*000400*	*2006*	
HARDIN	*F106*	*RED HILL*	*000400*	*2007*	
HARDIN	*F106*	*RED HILL*	*000800*	*1000*	
HARDIN	*F106*	*RED HILL*	*000800*	*2000*	
HARDIN	*G101*	*RADCLIFF SOUTH*			
HARDIN	*G102*	*RADCLIFF S.E.*			

HARDIN	*G103*		*LONGVIEW*
HARDIN	*G104*		*SHELTON*
HARDIN	*H101*		*COLESBURG*
HARDIN	*H102*		*TUNNEL HILL*

SECTION 27. KRS 5.227 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-seventh Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1006*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1007*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1008*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1009*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1010*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1011*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1012*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1013*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1014*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1998*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4006*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4007*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4008*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4009*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4010*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4011*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4012*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4013*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4014*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4015*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4016*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4017*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4018*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4019*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4020*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4021*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4022*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4023*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4024*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4025*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4026*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4027*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4997*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4998*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020800*	*4999*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020900*	*2000*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020900*	*2001*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020900*	*2035*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020900*	*2036*	
BULLITT	*A105*		*CUPIO #13*			
BULLITT	*D103*		*BERNHEIM #16*	*021100*	*1039*	*0102*

BULLITT	D103	BERNHEIM #16	021100	1069	
BULLITT	D103	BERNHEIM #16	021100	1078	
BULLITT	D103	BERNHEIM #16	021100	1081	
BULLITT	D103	BERNHEIM #16	021200	2000	
BULLITT	D103	BERNHEIM #16	021200	2001	
BULLITT	D103	BERNHEIM #16	021200	2047	
BULLITT	D104	SALT RIVER #17			
BULLITT	D105	CEDAR GROVE #18	021100	1019	0102
BULLITT	D105	CEDAR GROVE #18	021100	1020	
BULLITT	D105	CEDAR GROVE #18	021100	1021	
BULLITT	D105	CEDAR GROVE #18	021100	1022	0102
BULLITT	D105	CEDAR GROVE #18	021100	1031	
BULLITT	D105	CEDAR GROVE #18	021100	1032	
BULLITT	D105	CEDAR GROVE #18	021100	1033	
BULLITT	D105	CEDAR GROVE #18	021100	1034	
BULLITT	D105	CEDAR GROVE #18	021100	1035	
BULLITT	D105	CEDAR GROVE #18	021100	1036	
BULLITT	D105	CEDAR GROVE #18	021100	1037	
BULLITT	D106	BERNHEIM #16A			
BULLITT	X001	X001	021200	1001	
BULLITT	X001	X001	021200	1002	
BULLITT	X001	X001	021200	1999	
HARDIN	E105	WEST POINT			
HARDIN	F105	FORT KNOX	000100	1000	
HARDIN	F105	FORT KNOX	000100	1055	
HARDIN	F105	FORT KNOX	000100	1056	
HARDIN	F105	FORT KNOX	000100	1057	
HARDIN	F105	FORT KNOX	000100	1058	
HARDIN	F105	FORT KNOX	000100	1059	
HARDIN	F105	FORT KNOX	000100	1060	
HARDIN	F105	FORT KNOX	000100	1067	
HARDIN	F105	FORT KNOX	000200	1001	
HARDIN	F105	FORT KNOX	000200	1002	
HARDIN	F105	FORT KNOX	000200	1003	
HARDIN	F105	FORT KNOX	000200	1004	
HARDIN	F105	FORT KNOX	000200	1005	
HARDIN	F105	FORT KNOX	000200	1009	
HARDIN	F105	FORT KNOX	000200	1010	
HARDIN	F105	FORT KNOX	000200	1011	
HARDIN	F105	FORT KNOX	000200	1012	
HARDIN	F105	FORT KNOX	000200	1013	
HARDIN	F105	FORT KNOX	000200	1014	
HARDIN	F105	FORT KNOX	000200	1018	
HARDIN	F105	FORT KNOX	000200	1019	
HARDIN	F105	FORT KNOX	000200	1020	
HARDIN	F105	FORT KNOX	000200	1021	
HARDIN	F105	FORT KNOX	000200	1022	
HARDIN	F105	FORT KNOX	000200	1023	
HARDIN	F105	FORT KNOX	000200	1024	

HARDIN	*F105*	*FORT KNOX*	*000200*	*1025*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1027*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1028*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1029*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1030*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1031*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1032*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1033*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1034*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1035*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1036*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1037*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1038*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1039*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1040*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1041*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1042*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1043*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1044*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1045*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1046*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1047*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1048*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1049*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1050*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1051*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1052*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1053*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1054*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1055*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1056*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1057*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1058*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1059*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1061*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1062*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1063*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1064*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1065*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1066*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1067*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1068*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1069*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1070*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1088*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1111*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1112*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1113*
HARDIN	*F105*	*FORT KNOX*	*000200*	*1114*

HARDIN	*F105*		*FORT KNOX*	*000200*	*1115*	
HARDIN	*F105*		*FORT KNOX*	*000200*	*1116*	
MEADE						

SECTION 28. KRS 5.228 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
JEFFERSON	*A105*		*PRECINCT 105 28 DISTRICT*			
JEFFERSON	*A107*		*PRECINCT 107 28 DISTRICT*			
JEFFERSON	*A108*		*PRECINCT 108 28 DISTRICT*			
JEFFERSON	*A111*		*PRECINCT 111 28 DISTRICT*			
JEFFERSON	*A113*		*PRECINCT 113 28 DISTRICT*			
JEFFERSON	*A114*		*PRECINCT 114 28 DISTRICT*			
JEFFERSON	*A115*		*PRECINCT 115 28 DISTRICT*			
JEFFERSON	*A118*		*PRECINCT 118 28 DISTRICT*			
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1000*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1001*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1002*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1003*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1004*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1006*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1007*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1008*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1009*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1010*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1011*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1012*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1013*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1014*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1015*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012103*	*1016*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012409*	*2012*	
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012409*	*2013*	*0102*
JEFFERSON	*A119*		*PRECINCT 119 28 DISTRICT*	*012409*	*2015*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1000*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1001*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1002*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1003*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1004*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1005*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1006*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1007*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1008*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1009*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1010*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1011*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1012*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1013*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1014*	

JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1015	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1016	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1017	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1018	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1019	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1020	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1021	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1022	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	2004	0202
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	2005	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	2007	
JEFFERSON	A122		PRECINCT 122 28 DISTRICT			
JEFFERSON	A123		PRECINCT 123 28 DISTRICT			
JEFFERSON	A124		PRECINCT 124 28 DISTRICT			
JEFFERSON	A125		PRECINCT 125 28 DISTRICT			
JEFFERSON	A126		PRECINCT 126 28 DISTRICT			
JEFFERSON	A127		PRECINCT 127 28 DISTRICT			
JEFFERSON	A128		PRECINCT 128 28 DISTRICT			
JEFFERSON	A129		PRECINCT 129 28 DISTRICT			
JEFFERSON	A130		PRECINCT 130 28 DISTRICT			
JEFFERSON	A131		PRECINCT 131 28 DISTRICT			
JEFFERSON	A132		PRECINCT 132 28 DISTRICT			
JEFFERSON	A134		PRECINCT 134 28 DISTRICT			
JEFFERSON	B120		PRECINCT 120 29 DISTRICT			
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	5000	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	5001	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	5002	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	5003	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6001	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6002	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6003	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6004	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6005	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6006	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6007	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6008	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6009	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6010	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6011	
JEFFERSON	O132		PRECINCT 132 44 DISTRICT			

SECTION 29. KRS 5.229 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-ninth Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	1000	0102
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	2000	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	2004	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	2009	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	2010	

JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3002	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3003	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3004	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3005	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3006	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3007	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3008	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	3010	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	4009	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	4010	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	4011	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012106	4012	
JEFFERSON	B119	PRECINCT 119 29 DISTRICT	012107	2000	
JEFFERSON	B124	PRECINCT 124 29 DISTRICT			
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2026	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2029	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2030	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2031	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2032	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2033	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2034	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2035	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2036	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	2038	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	3008	0104
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012003	3008	0404
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	2002	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	2003	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	2005	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	2007	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	2010	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	3003	0808
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	3005	0202
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	3006	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	3007	
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	3008	0202
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	3010	0203
JEFFERSON	B125	PRECINCT 125 29 DISTRICT	012107	3022	0102
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2000	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2001	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2009	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	012001	2001	0102
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	012001	2033	
JEFFERSON	B130	PRECINCT 130 29 DISTRICT			
JEFFERSON	B131	PRECINCT 131 29 DISTRICT			
JEFFERSON	B132	PRECINCT 132 29 DISTRICT			
JEFFERSON	B133	PRECINCT 133 29 DISTRICT			
JEFFERSON	B134	PRECINCT 134 29 DISTRICT			
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012001	2001	0202

JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012001	2002	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012001	2003	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012001	2014	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012001	2015	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012001	2022	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012003	3000	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012003	3001	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012003	3006	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012003	3007	
JEFFERSON	B143	PRECINCT 143 29 DISTRICT	012003	3008	0304
JEFFERSON	B146	PRECINCT 146 29 DISTRICT			
JEFFERSON	B149	PRECINCT 149 29 DIST			
JEFFERSON	D127	PRECINCT 127 31 DISTRICT			
JEFFERSON	D133	PRECINCT 133 31 DISTRICT			
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1000	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1001	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1002	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1003	0102
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1010	0102
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1011	0202
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1012	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1013	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1014	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1015	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1016	0102
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1024	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1025	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1026	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1996	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1997	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1998	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1999	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1000	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1003	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1004	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1005	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1006	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1008	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1009	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2000	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2001	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2994	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2999	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011102	3024	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011102	3025	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011102	3028	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011512	2000	0202
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2005	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2006	

JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2007*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2008*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2009*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2010*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2011*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2012*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2013*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2014*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2015*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2016*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2017*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2027*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2028*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2029*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2030*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2031*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2991*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2993*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2995*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2996*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011601*	*2997*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1000*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1001*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1002*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1003*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1004*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1005*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1006*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1007*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1008*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1009*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1010*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1011*	*0202*
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1012*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1013*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1014*	*0202*
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1017*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1018*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1019*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1020*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1021*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1022*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1023*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1024*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1025*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1026*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1027*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1028*	
JEFFERSON	*F111*	*PRECINCT 111 33 DISTRICT*	*011602*	*1029*	

JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*1030*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*1031*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*1032*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*1033*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*1034*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*1998*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*1999*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2000*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2001*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2002*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2003*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2004*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2005*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2006*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2007*	
JEFFERSON	*F111*		*PRECINCT 111 33 DISTRICT*	*011602*	*2999*	
JEFFERSON	*F112*		*PRECINCT 112 33 DISTRICT*			
JEFFERSON	*F113*		*PRECINCT 113 33 DISTRICT*			
JEFFERSON	*F116*		*PRECINCT 116 33 DISTRICT*			
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011509*	*3004*	
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011510*	*1000*	*0303*
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011510*	*1001*	
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011510*	*2000*	
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011510*	*2001*	
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011510*	*2002*	
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011510*	*2003*	
JEFFERSON	*F128*		*PRECINCT 128 33 DISTRICT*	*011510*	*2004*	*0102*
JEFFERSON	*F129*		*PRECINCT 129 33 DISTRICT*			
JEFFERSON	*F131*		*PRECINCT 131 33 DISTRICT*			
JEFFERSON	*F132*		*PRECINCT 132 33 DISTRICT*			
JEFFERSON	*F133*		*PRECINCT 133 33 DISTRICT*			
JEFFERSON	*F139*		*PRECINCT 139 33 DIST*			
JEFFERSON	*F141*		*PRECINCT 141 33 DIST*			
JEFFERSON	*F143*		*PRECINCT 143 33 DISTRICT*	*011511*	*2003*	*0202*
JEFFERSON	*F143*		*PRECINCT 143 33 DISTRICT*	*011511*	*2004*	*0303*
JEFFERSON	*F143*		*PRECINCT 143 33 DISTRICT*	*011511*	*2009*	*0102*
JEFFERSON	*F143*		*PRECINCT 143 33 DISTRICT*	*011511*	*2010*	*0202*
JEFFERSON	*F143*		*PRECINCT 143 33 DISTRICT*	*011511*	*2020*	*0202*
JEFFERSON	*F143*		*PRECINCT 143 33 DISTRICT*	*011511*	*2024*	*0202*
JEFFERSON	*F146*		*PRECINCT 146 33 DISTRICT*			
JEFFERSON	*F147*		*PRECINCT 147 33 DISTRICT*			

SECTION 30. KRS 5.230 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirtieth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
JEFFERSON	*C101*		*PRECINCT 101 30 DISTRICT*	*011200*	*1004*	
JEFFERSON	*C101*		*PRECINCT 101 30 DISTRICT*	*011200*	*1005*	
JEFFERSON	*C101*		*PRECINCT 101 30 DISTRICT*	*011200*	*1006*	
JEFFERSON	*C101*		*PRECINCT 101 30 DISTRICT*	*011200*	*1010*	

JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	1008	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	1009	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2000	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2001	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2002	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2003	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2004	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2005	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2006	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2007	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2008	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2009	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2010	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2011	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2012	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2013	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2014	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2015	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2016	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2017	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2018	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2019	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2020	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2021	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2022	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2023	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2024	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2025	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2026	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2027	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	2028	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3000	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3001	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3002	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3003	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3006	0102
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3007	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3008	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3009	0202
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3010	0203
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3010	0303
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3011	0103
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3011	0203
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3012	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3015	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3017	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3018	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3019	
JEFFERSON	C101	PRECINCT 101 30 DISTRICT	011301	3020	

JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011301*	*3021*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011301*	*3022*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011301*	*3023*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011301*	*3024*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011403*	*1004*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011403*	*1006*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011403*	*1011*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011403*	*1020*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011403*	*1021*	
JEFFERSON	*C102*	*PRECINCT 102 30 DISTRICT*			
JEFFERSON	*C103*	*PRECINCT 103 30 DISTRICT*			
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1000*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1001*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1002*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1003*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1004*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1005*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1006*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1007*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1008*	
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*1009*	
JEFFERSON	*C105*	*PRECINCT 105 30 DISTRICT*			
JEFFERSON	*C106*	*PRECINCT 106 30 DISTRICT*			
JEFFERSON	*C108*	*PRECINCT 108 30 DISTRICT*			
JEFFERSON	*C109*	*PRECINCT 109 30 DISTRICT*			
JEFFERSON	*C110*	*PRECINCT 110 30 DISTRICT*			
JEFFERSON	*C111*	*PRECINCT 111 30 DISTRICT*			
JEFFERSON	*C113*	*PRECINCT 113 30 DISTRICT*			
JEFFERSON	*C115*	*PRECINCT 115 30 DISTRICT*			
JEFFERSON	*C122*	*PRECINCT 122 30 DISTRICT*			
JEFFERSON	*C123*	*PRECINCT 123 30 DISTRICT*			
JEFFERSON	*C124*	*PRECINCT 124 30 DISTRICT*			
JEFFERSON	*C125*	*PRECINCT 125 30 DISTRICT*			
JEFFERSON	*C126*	*PRECINCT 126 30 DISTRICT*			
JEFFERSON	*C128*	*PRECINCT 128 30 DISTRICT*			
JEFFERSON	*C129*	*PRECINCT 129 30 DISTRICT*			
JEFFERSON	*C130*	*PRECINCT 130 30 DISTRICT*			
JEFFERSON	*C131*	*PRECINCT 131 30 DISTRICT*			
JEFFERSON	*D131*	*PRECINCT 131 31 DISTRICT*	*011004*	*3005*	*0202*
JEFFERSON	*F118*	*PRECINCT 118 33 DISTRICT*			
JEFFERSON	*F119*	*PRECINCT 119 33 DISTRICT*			
JEFFERSON	*F120*	*PRECINCT 120 33 DISTRICT*			
JEFFERSON	*F121*	*PRECINCT 121 33 DISTRICT*			
JEFFERSON	*F122*	*PRECINCT 122 33 DISTRICT*			
JEFFERSON	*F125*	*PRECINCT 125 33 DISTRICT*			
JEFFERSON	*F127*	*PRECINCT 127 33 DISTRICT*	*011509*	*1000*	
JEFFERSON	*F127*	*PRECINCT 127 33 DISTRICT*	*011509*	*1001*	
JEFFERSON	*F127*	*PRECINCT 127 33 DISTRICT*	*011509*	*1002*	
JEFFERSON	*F127*	*PRECINCT 127 33 DISTRICT*	*011509*	*1003*	

JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1004
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1005
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1006
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1007
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1008
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1009
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1998
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	1999
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	2000
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	2001
JEFFERSON	F127	PRECINCT 127 33 DISTRICT	011509	2004
JEFFERSON	F128	PRECINCT 128 33 DISTRICT	011509	3000
JEFFERSON	F128	PRECINCT 128 33 DISTRICT	011509	3001
JEFFERSON	F128	PRECINCT 128 33 DISTRICT	011509	3002
JEFFERSON	F128	PRECINCT 128 33 DISTRICT	011509	3003

SECTION 31. KRS 5.231 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-first Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	3000	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	3001	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	3002	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	3031	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	3032	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4000	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4001	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4002	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4003	0202
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4004	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4009	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4013	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4014	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4016	
JEFFERSON	D101		PRECINCT 101 31 DISTRICT	010500	4017	
JEFFERSON	D104		PRECINCT 104 31 DISTRICT			
JEFFERSON	D105		PRECINCT 105 31 DISTRICT			
JEFFERSON	D106		PRECINCT 106 31 DISTRICT			
JEFFERSON	D108		PRECINCT 108 31 DISTRICT			
JEFFERSON	D109		PRECINCT 109 31 DISTRICT			
JEFFERSON	D110		PRECINCT 110 31 DISTRICT			
JEFFERSON	D113		PRECINCT 113 31 DISTRICT			
JEFFERSON	D114		PRECINCT 114 31 DISTRICT			
JEFFERSON	D115		PRECINCT 115 31 DISTRICT			
JEFFERSON	D116		PRECINCT 116 31 DISTRICT			
JEFFERSON	D117		PRECINCT 117 31 DISTRICT			
JEFFERSON	D120		PRECINCT 120 31 DISTRICT			
JEFFERSON	D121		PRECINCT 121 31 DISTRICT			
JEFFERSON	D122		PRECINCT 122 31 DISTRICT			
JEFFERSON	D126		PRECINCT 126 31 DISTRICT			

JEFFERSON	D129		PRECINCT 129 31 DISTRICT			
JEFFERSON	D130		PRECINCT 130 31 DISTRICT			
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	1002	
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	1003	0202
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	1004	
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	1005	
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	1006	
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	2007	
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	3001	0102
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	3006	
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	3007	
JEFFERSON	D131		PRECINCT 131 31 DISTRICT	011004	3008	
JEFFERSON	D132		PRECINCT 132 31 DISTRICT			
JEFFERSON	D134		PRECINCT 134 31 DISTRICT			
JEFFERSON	D135		PRECINCT 135 31 DIST			
JEFFERSON	D136		PRECINCT 136 31 DIST			
JEFFERSON	D137		PRECINCT 137 31 DIST			
JEFFERSON	D138		PRECINCT 138 31 DIST			
JEFFERSON	D139		PRECINCT 139 31 DISTRICT			
JEFFERSON	F117		PRECINCT 117 33 DISTRICT			
JEFFERSON	F130		PRECINCT 130 33 DISTRICT			
JEFFERSON	F140		PRECINCT 140 33 DIST			

SECTION 32. KRS 5.232 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-second Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	E107		PRECINCT 107 32 DISTRICT			
JEFFERSON	E139		PRECINCT 139 32 DISTRICT			
JEFFERSON	E141		PRECINCT 141 32 DISTRICT			
JEFFERSON	E142		PRECINCT 142 32 DISTRICT			
JEFFERSON	E143		PRECINCT 143 32 DISTRICT			
JEFFERSON	E144		PRECINCT 144 32 DISTRICT			
JEFFERSON	E145		PRECINCT 145 32 DISTRICT			
JEFFERSON	E147		PRECINCT 147 32 DISTRICT			
JEFFERSON	E148		PRECINCT 148 32 DISTRICT			
JEFFERSON	E149		PRECINCT 149 32 DISTRICT			
JEFFERSON	E150		PRECINCT 150 32 DISTRICT			
JEFFERSON	E151		PRECINCT 151 32 DISTRICT			
JEFFERSON	E152		PRECINCT 152 32 DISTRICT			
JEFFERSON	E154		PRECINCT 154 32 DISTRICT			
JEFFERSON	E155		PRECINCT 155 32 DISTRICT			
JEFFERSON	E157		PRECINCT 157 32 DISTRICT			
JEFFERSON	R105		PRECINCT 105 47 DISTRICT			
JEFFERSON	R106		PRECINCT 106 47 DISTRICT			
JEFFERSON	R111		PRECINCT 111 47 DISTRICT			
JEFFERSON	R117		PRECINCT 117 47 DISTRICT			
JEFFERSON	R118		PRECINCT 118 47 DISTRICT			
JEFFERSON	R119		PRECINCT 119 47 DISTRICT			
JEFFERSON	R120		PRECINCT 120 47 DISTRICT			

JEFFERSON	R121		PRECINCT 121 47 DISTRICT			
JEFFERSON	R126		PRECINCT 126 47 DISTRICT			
JEFFERSON	R131		PRECINCT 131 47 DISTRICT			
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1000	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1003	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1004	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1005	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1006	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1007	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1008	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1009	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1010	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1011	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1012	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1013	
JEFFERSON	R132		PRECINCT 132 47 DISTRICT	010101	1014	
JEFFERSON	R135		PRECINCT 135 47 DISTRICT			
JEFFERSON	R137		PRECINCT 137 47 DISTRICT	010705	4010	
JEFFERSON	R137		PRECINCT 137 47 DISTRICT	010705	5000	
JEFFERSON	R137		PRECINCT 137 47 DISTRICT	010705	5001	
JEFFERSON	R137		PRECINCT 137 47 DISTRICT	010705	5002	
JEFFERSON	R139		PRECINCT 139 47 DISTRICT			
JEFFERSON	R141		PRECINCT 141 47 DISTRICT			
JEFFERSON	S120		PRECINCT 120 48 DISTRICT			
JEFFERSON	S121		PRECINCT 121 48 DISTRICT			
JEFFERSON	S138		PRECINCT 138 48 DISTRICT			

SECTION 33. KRS 5.233 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-third Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	D123		PRECINCT 123 31 DISTRICT			
JEFFERSON	D124		PRECINCT 124 31 DISTRICT			
JEFFERSON	D128		PRECINCT 128 31 DISTRICT			
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1000	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1001	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1002	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1003	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1004	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1005	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1006	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1024	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1025	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1027	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1028	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1029	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1030	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1031	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1032	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1033	

JEFFERSON	F101	PRECINCT 101 33 DISTRICT	010309	1034	
JEFFERSON	F101	PRECINCT 101 33 DISTRICT	010309	1035	
JEFFERSON	F106	PRECINCT 106 33 DISTRICT			
JEFFERSON	F109	PRECINCT 109 33 DISTRICT			
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010306	1072	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010306	1997	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010306	1998	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1007	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1008	0102
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1018	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1019	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1020	0102
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1021	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1022	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	010307	1023	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1001	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1002	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1007	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1010	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1011	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1012	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1013	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1014	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1015	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1025	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1999	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2002	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2003	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2004	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2018	0102
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2032	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2033	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2034	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2992	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2998	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011102	3027	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2026	
JEFFERSON	F126	PRECINCT 126 33 DISTRICT			
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1045	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1046	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1047	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1048	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1049	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1050	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1051	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1052	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1053	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1057	
JEFFERSON	F138	PRECINCT 138 33 DIST	010306	1066	

JEFFERSON	***F138***		***PRECINCT 138 33 DIST***	***010306***	***1071***	
JEFFERSON	***F143***		***PRECINCT 143 33 DISTRICT***	***011511***	***2000***	
JEFFERSON	***F143***		***PRECINCT 143 33 DISTRICT***	***011511***	***2001***	
JEFFERSON	***F143***		***PRECINCT 143 33 DISTRICT***	***011511***	***2002***	
JEFFERSON	***F143***		***PRECINCT 143 33 DISTRICT***	***011511***	***2021***	
JEFFERSON	***F143***		***PRECINCT 143 33 DISTRICT***	***011511***	***2022***	
JEFFERSON	***F143***		***PRECINCT 143 33 DISTRICT***	***011511***	***2023***	
JEFFERSON	***F145***		***PRECINCT 145 33 DISTRICT***			
JEFFERSON	***R112***		***PRECINCT 112 47 DISTRICT***			
JEFFERSON	***R113***		***PRECINCT 113 47 DISTRICT***			
JEFFERSON	***R114***		***PRECINCT 114 47 DISTRICT***			
JEFFERSON	***R115***		***PRECINCT 115 47 DISTRICT***			
JEFFERSON	***R116***		***PRECINCT 116 47 DISTRICT***			
JEFFERSON	***R122***		***PRECINCT 122 47 DISTRICT***			
JEFFERSON	***R123***		***PRECINCT 123 47 DISTRICT***			
JEFFERSON	***R124***		***PRECINCT 124 47 DISTRICT***			
JEFFERSON	***R125***		***PRECINCT 125 47 DISTRICT***			
JEFFERSON	***R127***		***PRECINCT 127 47 DISTRICT***			
JEFFERSON	***R128***		***PRECINCT 128 47 DISTRICT***			
JEFFERSON	***R130***		***PRECINCT 130 47 DISTRICT***			
JEFFERSON	***R132***		***PRECINCT 132 47 DISTRICT***	***010101***	***1001***	
JEFFERSON	***R132***		***PRECINCT 132 47 DISTRICT***	***010101***	***1002***	
JEFFERSON	***R133***		***PRECINCT 133 47 DISTRICT***			
JEFFERSON	***R134***		***PRECINCT 134 47 DISTRICT***			
JEFFERSON	***R136***		***PRECINCT 136 47 DISTRICT***			
JEFFERSON	***R137***		***PRECINCT 137 47 DISTRICT***	***010705***	***4007***	
JEFFERSON	***R137***		***PRECINCT 137 47 DISTRICT***	***010705***	***4008***	
JEFFERSON	***R137***		***PRECINCT 137 47 DISTRICT***	***010705***	***4009***	
JEFFERSON	***R137***		***PRECINCT 137 47 DISTRICT***	***010705***	***5003***	
JEFFERSON	***R137***		***PRECINCT 137 47 DISTRICT***	***010705***	***5004***	
JEFFERSON	***R137***		***PRECINCT 137 47 DISTRICT***	***010705***	***5005***	
JEFFERSON	***R138***		***PRECINCT 138 47 DISTRICT***			
JEFFERSON	***R140***		***PRECINCT 140 47 DISTRICT***			
JEFFERSON	***R142***		***PRECINCT 142 47 DIST***			
JEFFERSON	***R143***		***PRECINCT 143 47 DIST***			
JEFFERSON	***R144***		***PRECINCT 144 47 DIST***			
JEFFERSON	***R145***		***PRECINCT 134 47 DISTRICT***			
JEFFERSON	***S134***		***PRECINCT 134 48 DISTRICT***			

SECTION 34. KRS 5.234 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
JEFFERSON	***C121***		***PRECINCT 121 30 DISTRICT***			
JEFFERSON	***C127***		***PRECINCT 127 30 DISTRICT***			
JEFFERSON	***D101***		***PRECINCT 101 31 DISTRICT***	***010500***	***1017***	
JEFFERSON	***D101***		***PRECINCT 101 31 DISTRICT***	***010500***	***3003***	
JEFFERSON	***D101***		***PRECINCT 101 31 DISTRICT***	***010500***	***3030***	***0202***
JEFFERSON	***E112***		***PRECINCT 112 32 DISTRICT***	***010500***	***1000***	
JEFFERSON	***E112***		***PRECINCT 112 32 DISTRICT***	***010500***	***1001***	

JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	1002	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	1003	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	1004	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	1005	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	1006	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	1007	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	1008	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	2000	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	2001	0202
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	2006	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	2007	
JEFFERSON	E112	PRECINCT 112 32 DISTRICT	010500	2008	
JEFFERSON	E114	PRECINCT 114 32 DISTRICT			
JEFFERSON	E116	PRECINCT 116 32 DISTRICT			
JEFFERSON	E118	PRECINCT 118 32 DISTRICT			
JEFFERSON	E119	PRECINCT 119 32 DISTRICT			
JEFFERSON	E120	PRECINCT 120 32 DISTRICT			
JEFFERSON	E126	PRECINCT 126 32 DISTRICT			
JEFFERSON	E130	PRECINCT 130 32 DISTRICT			
JEFFERSON	E140	PRECINCT 140 32 DISTRICT			
JEFFERSON	E156	PRECINCT 156 32 DISTRICT			
JEFFERSON	G103	PRECINCT 103 34 DISTRICT			
JEFFERSON	G104	PRECINCT 104 34 DISTRICT			
JEFFERSON	G106	PRECINCT 106 34 DISTRICT			
JEFFERSON	G107	PRECINCT 107 34 DISTRICT			
JEFFERSON	G108	PRECINCT 108 34 DISTRICT			
JEFFERSON	G109	PRECINCT 109 34 DISTRICT			
JEFFERSON	G111	PRECINCT 111 34 DISTRICT			
JEFFERSON	G112	PRECINCT 112 34 DISTRICT			
JEFFERSON	G116	PRECINCT 116 34 DISTRICT			
JEFFERSON	G117	PRECINCT 117 34 DISTRICT			
JEFFERSON	G119	PRECINCT 119 34 DISTRICT			
JEFFERSON	G120	PRECINCT 120 34 DISTRICT			
JEFFERSON	G121	PRECINCT 121 34 DISTRICT			
JEFFERSON	G122	PRECINCT 122 34 DISTRICT			
JEFFERSON	G123	PRECINCT 123 34 DISTRICT			
JEFFERSON	G124	PRECINCT 124 34 DISTRICT			
JEFFERSON	G126	PRECINCT 126 34 DISTRICT			
JEFFERSON	G129	PRECINCT 129 34 DISTRICT			
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2000	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2001	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2002	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2003	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2004	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2005	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2006	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2007	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	007900	2008	
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	008100	2003	0102

JEFFERSON	G140	PRECINCT 140 34 DISTRICT	008100	2004
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	008100	2005
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	008100	2014
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	008100	2015
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	008100	2016
JEFFERSON	G140	PRECINCT 140 34 DISTRICT	008700	4052
JEFFERSON	G141	PRECINCT 141 34 DISTRICT		
JEFFERSON	G142	PRECINCT 142 34 DISTRICT		
JEFFERSON	G143	PRECINCT 143 34 DISTRICT		
JEFFERSON	G144	PRECINCT 144 34 DISTRICT		
JEFFERSON	G145	PRECINCT 145 34 DISTRICT		
JEFFERSON	G146	PRECINCT 146 34 DISTRICT		
JEFFERSON	G147	PRECINCT 147 34 DISTRICT		
JEFFERSON	G148	PRECINCT 148 34 DISTRICT		
JEFFERSON	G149	PRECINCT 149 34 DISTRICT		
JEFFERSON	G150	PRECINCT 150 34 DISTRICT		
JEFFERSON	G151	PRECINCT 151 34 DISTRICT		

SECTION 35. KRS 5.235 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fifth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	B126		PRECINCT 126 29 DISTRICT			
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1000	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1001	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1002	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1003	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1004	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1005	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1006	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1007	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1008	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1009	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1010	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1011	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	1012	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	2002	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	2003	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	2004	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	2005	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	2006	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	2007	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	2008	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	3000	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	3001	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	3002	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	3003	
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	3008	0203
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	3009	0102
JEFFERSON	B127		PRECINCT 127 29 DISTRICT	011705	3010	

JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*2025*	
JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*2026*	
JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*2027*	
JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*2029*	
JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*2031*	
JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*3011*	
JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*3013*	
JEFFERSON	*B127*	*PRECINCT 127 29 DISTRICT*	*011905*	*3014*	
JEFFERSON	*B128*	*PRECINCT 128 29 DISTRICT*			
JEFFERSON	*B138*	*PRECINCT 138 29 DISTRICT*			
JEFFERSON	*B139*	*PRECINCT 139 29 DISTRICT*			
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4015*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4016*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4017*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4018*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4019*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4020*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4025*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4026*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4027*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4028*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4029*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4031*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4032*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4035*	
JEFFERSON	*B141*	*PRECINCT 141 29 DISTRICT*	*011901*	*4036*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011301*	*3013*	
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*	*011301*	*3016*	*0303*
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*	*011404*	*2000*	*0102*
JEFFERSON	*H102*	*PRECINCT 102 35 DISTRICT*			
JEFFERSON	*H103*	*PRECINCT 103 35 DISTRICT*			
JEFFERSON	*H105*	*PRECINCT 105 35 DISTRICT*			
JEFFERSON	*H106*	*PRECINCT 106 35 DISTRICT*			
JEFFERSON	*H109*	*PRECINCT 109 35 DISTRICT*			
JEFFERSON	*H110*	*PRECINCT 110 35 DISTRICT*			
JEFFERSON	*H111*	*PRECINCT 111 35 DISTRICT*			
JEFFERSON	*H112*	*PRECINCT 112 35 DISTRICT*			
JEFFERSON	*H113*	*PRECINCT 113 35 DISTRICT*			
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*007100*	*3013*	*0102*
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6008*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6009*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6010*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6011*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6014*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6015*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6016*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*009400*	*6032*	
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*011901*	*1034*	*0102*
JEFFERSON	*H114*	*PRECINCT 114 35 DISTRICT*	*011901*	*1035*	*0204*

JEFFERSON	H114	PRECINCT 114 35 DISTRICT	011901	1035	0304
JEFFERSON	H114	PRECINCT 114 35 DISTRICT	011901	3000	0204
JEFFERSON	H114	PRECINCT 114 35 DISTRICT	011901	3002	0203
JEFFERSON	H114	PRECINCT 114 35 DISTRICT	011901	3003	0102
JEFFERSON	H115	PRECINCT 115 35 DISTRICT			
JEFFERSON	H116	PRECINCT 116 35 DISTRICT			
JEFFERSON	H117	PRECINCT 117 35 DISTRICT			
JEFFERSON	H118	PRECINCT 118 35 DISTRICT			
JEFFERSON	H120	PRECINCT 120 35 DISTRICT			
JEFFERSON	H121	PRECINCT 121 35 DISTRICT			
JEFFERSON	H123	PRECINCT 123 35 DISTRICT			
JEFFERSON	H124	PRECINCT 124 35 DISTRICT			
JEFFERSON	H125	PRECINCT 125 35 DISTRICT			
JEFFERSON	H126	PRECINCT 126 35 DISTRICT			
JEFFERSON	H127	PRECINCT 127 35 DISTRICT			
JEFFERSON	H130	PRECINCT 130 35 DISTRICT			
JEFFERSON	H131	PRECINCT 131 35 DISTRICT			
JEFFERSON	H132	PRECINCT 132 35 DISTRICT			
JEFFERSON	H133	PRECINCT 133 35 DISTRICT			
JEFFERSON	H134	PRECINCT 134 35 DISTRICT			
JEFFERSON	H138	PRECINCT 138 35 DISTRICT			
JEFFERSON	H140	PRECINCT 140 35 DISTRICT			
JEFFERSON	H141	PRECINCT 141 35 DISTRICT			
JEFFERSON	H142	PRECINCT 142 35 DISTRICT			

SECTION 36. KRS 5.236 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
GARRARD						
MADISON	A101		BLUE LICK			
MADISON	A104		NORTH BEREA	011200	1037	
MADISON	A104		NORTH BEREA	011200	1039	
MADISON	A104		NORTH BEREA	011200	2003	
MADISON	A104		NORTH BEREA	011200	2004	
MADISON	A104		NORTH BEREA	011200	2005	
MADISON	A104		NORTH BEREA	011200	2006	
MADISON	A104		NORTH BEREA	011200	2007	
MADISON	A104		NORTH BEREA	011200	2008	
MADISON	A104		NORTH BEREA	011200	2009	
MADISON	A104		NORTH BEREA	011200	2010	
MADISON	A104		NORTH BEREA	011200	2011	
MADISON	A104		NORTH BEREA	011200	2012	
MADISON	A104		NORTH BEREA	011200	2013	
MADISON	A104		NORTH BEREA	011200	2014	
MADISON	A104		NORTH BEREA	011200	2015	
MADISON	A104		NORTH BEREA	011200	2016	
MADISON	A104		NORTH BEREA	011200	2017	
MADISON	A104		NORTH BEREA	011200	2018	
MADISON	A104		NORTH BEREA	011200	2019	

MADISON	A104		NORTH BEREA	011200	2020
MADISON	A104		NORTH BEREA	011200	2021
MADISON	A104		NORTH BEREA	011200	2022
MADISON	A104		NORTH BEREA	011200	2023
MADISON	A104		NORTH BEREA	011200	2024
MADISON	A104		NORTH BEREA	011200	2025
MADISON	A104		NORTH BEREA	011200	2026
MADISON	A104		NORTH BEREA	011200	2027
MADISON	A104		NORTH BEREA	011200	2028
MADISON	A104		NORTH BEREA	011200	2029
MADISON	A104		NORTH BEREA	011200	2031
MADISON	A104		NORTH BEREA	011200	2032
MADISON	A104		NORTH BEREA	011200	2033
MADISON	A104		NORTH BEREA	011200	2034
MADISON	A104		NORTH BEREA	011200	2035
MADISON	A104		NORTH BEREA	011200	2036
MADISON	A104		NORTH BEREA	011200	2037
MADISON	A104		NORTH BEREA	011200	3000
MADISON	A104		NORTH BEREA	011200	3001
MADISON	A104		NORTH BEREA	011200	3002
MADISON	A104		NORTH BEREA	011200	3003
MADISON	A104		NORTH BEREA	011200	3004
MADISON	A104		NORTH BEREA	011200	3005
MADISON	A104		NORTH BEREA	011200	3006
MADISON	A104		NORTH BEREA	011200	3015
MADISON	A104		NORTH BEREA	011200	3033
MADISON	A104		NORTH BEREA	011300	1007
MADISON	A104		NORTH BEREA	011300	1008
MADISON	A104		NORTH BEREA	011300	1009
MADISON	A104		NORTH BEREA	011300	1010
MADISON	A104		NORTH BEREA	011300	1011
MADISON	A104		NORTH BEREA	011300	1012
MADISON	A104		NORTH BEREA	011300	1013
MADISON	A104		NORTH BEREA	011300	1014
MADISON	A104		NORTH BEREA	011300	1015
MADISON	A104		NORTH BEREA	011300	4000
MADISON	A104		NORTH BEREA	011300	4001
MADISON	A105		SOUTH BEREA		
MADISON	A106		WEST BEREA		
MADISON	A107		CLAY		
MADISON	A108	0203	MENALES-TODD		
MADISON	A108	0303	MENALES-TODD		
MADISON	A109		BIG HILL		
MADISON	B107		BURNAM-HIGH POINT		
MADISON	B108		TEVIS-COTTONBG-POOSEY 28		
MADISON	B111		NEWBY-JONES		
MADISON	B112		VALLEY VIEW		
MADISON	C107	0303	KAVANAUGH		
MADISON	C108		COLLEGE HILL		

MADISON	C109		WACO
MADISON	D104		BRASSFIELD-BEARWALLOW
MADISON	D105		KINGSTON
MADISON	D106		BOBTOWN-RED LICK
MADISON	D107	0306	DUNCANNON
MADISON	D107	0506	DUNCANNON
MADISON	D108	0102	SOUTH RICHMOND #6B
MADISON	X001		X001

SECTION 37. KRS 5.237 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-seventh Representative District shall consist of the following territory:

				--CENSUS--		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	B141		PRECINCT 141 29 DISTRICT	011901	4033	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4007	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4008	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4034	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4037	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4038	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2000	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2004	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2005	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2006	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2007	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2008	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2010	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2012	0102
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2013	0202
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2016	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2017	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2018	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2019	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2020	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2021	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2023	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2024	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2025	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2026	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2027	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2028	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2029	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2030	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2031	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2032	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2999	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012003	3005	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012003	3010	
JEFFERSON	B147		PRECINCT 147 29 DISTRICT			
JEFFERSON	B148		PRECINCT 148 29 DISTRICT			
JEFFERSON	H114		PRECINCT 114 35 DISTRICT	011901	1028	0203

JEFFERSON	H114		PRECINCT 114 35 DISTRICT	011901	1028	0303
JEFFERSON	H114		PRECINCT 114 35 DISTRICT	011901	1035	0104
JEFFERSON	H114		PRECINCT 114 35 DISTRICT	011901	1036	
JEFFERSON	H114		PRECINCT 114 35 DISTRICT	011901	1037	
JEFFERSON	H114		PRECINCT 114 35 DISTRICT	011901	1038	
JEFFERSON	H114		PRECINCT 114 35 DISTRICT	011901	1039	0202
JEFFERSON	H136		PRECINCT 136 35 DISTRICT			
JEFFERSON	H143		PRECINCT 143 35 DISTRICT			
JEFFERSON	I103		PRECINCT 103 37 DISTRICT			
JEFFERSON	I104		PRECINCT 104 37 DISTRICT			
JEFFERSON	I105		PRECINCT 105 37 DISTRICT			
JEFFERSON	I106		PRECINCT 106 37 DISTRICT			
JEFFERSON	I107		PRECINCT 107 37 DISTRICT			
JEFFERSON	I109		PRECINCT 109 37 DISTRICT			
JEFFERSON	I110		PRECINCT 110 37 DISTRICT			
JEFFERSON	I111		PRECINCT 111 37 DISTRICT			
JEFFERSON	I112		PRECINCT 112 37 DISTRICT			
JEFFERSON	I114		PRECINCT 114 37 DISTRICT			
JEFFERSON	I115		PRECINCT 115 37 DISTRICT			
JEFFERSON	I117		PRECINCT 117 37 DISTRICT			
JEFFERSON	I120		PRECINCT 120 37 DISTRICT			
JEFFERSON	I122		PRECINCT 122 37 DISTRICT			
JEFFERSON	I123		PRECINCT 123 37 DISTRICT			
JEFFERSON	I124		PRECINCT 124 37 DISTRICT			
JEFFERSON	I125		PRECINCT 125 37 DISTRICT			
JEFFERSON	I126		PRECINCT 126 37 DISTRICT			
JEFFERSON	I127		PRECINCT 127 37 DISTRICT			
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	3003	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	3004	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	3005	
JEFFERSON	I129		PRECINCT 129 37 DISTRICT			
JEFFERSON	I130		PRECINCT 130 37 DISTRICT			
JEFFERSON	I133		PRECINCT 133 37 DISTRICT			
JEFFERSON	I134		PRECINCT 134 37 DISTRICT			
JEFFERSON	I135		PRECINCT 135 37 DISTRICT			

SECTION 38. KRS 5.238 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	B117		PRECINCT 117 29 DISTRICT			
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	3009	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	4004	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	4005	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	4006	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	4008	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012106	4013	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012107	3000	
JEFFERSON	B119		PRECINCT 119 29 DISTRICT	012107	3001	
JEFFERSON	B121		PRECINCT 121 29 DISTRICT	012106	6000	

JEFFERSON	B125		PRECINCT 125 29 DISTRICT	012003	2027	
JEFFERSON	B125		PRECINCT 125 29 DISTRICT	012003	2028	
JEFFERSON	B125		PRECINCT 125 29 DISTRICT	012107	2006	
JEFFERSON	B125		PRECINCT 125 29 DISTRICT	012107	2008	
JEFFERSON	B125		PRECINCT 125 29 DISTRICT	012107	2009	
JEFFERSON	B125		PRECINCT 125 29 DISTRICT	012107	3002	
JEFFERSON	B125		PRECINCT 125 29 DISTRICT	012107	3004	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012003	3011	
JEFFERSON	J101		PRECINCT 101 38 DISTRICT			
JEFFERSON	J104		PRECINCT 104 38 DISTRICT			
JEFFERSON	J105		PRECINCT 105 38 DISTRICT			
JEFFERSON	J107		PRECINCT 107 38 DISTRICT			
JEFFERSON	J108		PRECINCT 108 38 DISTRICT			
JEFFERSON	J110		PRECINCT 110 38 DISTRICT			
JEFFERSON	J111		PRECINCT 111 38 DISTRICT			
JEFFERSON	J113		PRECINCT 113 38 DISTRICT			
JEFFERSON	J114		PRECINCT 114 38 DISTRICT			
JEFFERSON	J117		PRECINCT 117 38 DISTRICT			
JEFFERSON	J119		PRECINCT 119 38 DISTRICT			
JEFFERSON	J120		PRECINCT 120 38 DISTRICT			
JEFFERSON	J122		PRECINCT 122 38 DISTRICT			
JEFFERSON	J123		PRECINCT 123 38 DISTRICT			
JEFFERSON	J127		PRECINCT 127 38 DISTRICT			
JEFFERSON	J128		PRECINCT 128 38 DISTRICT			
JEFFERSON	J129		PRECINCT 129 38 DISTRICT			
JEFFERSON	J130		PRECINCT 130 38 DISTRICT			
JEFFERSON	J131		PRECINCT 131 38 DISTRICT			
JEFFERSON	J133		PRECINCT 133 38 DISTRICT			
JEFFERSON	J135		PRECINCT 135 38 DISTRICT			
JEFFERSON	J136		PRECINCT 136 38 DISTRICT			
JEFFERSON	K118		PRECINCT 118 40 DISTRICT	003900	3003	0102

SECTION 39. KRS 5.239 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-ninth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	B204		ATWOOD			
JESSAMINE						

SECTION 40. KRS 5.240 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fortieth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	I101		PRECINCT 101 37 DISTRICT			
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	2008	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	2009	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	2010	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	2011	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	2012	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	2013	
JEFFERSON	I128		PRECINCT 128 37 DISTRICT	007100	2014	

JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***2015***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***2016***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***3006***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***3007***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***3008***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***3009***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***3010***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***3011***	
JEFFERSON	***I128***	***PRECINCT 128 37 DISTRICT***	***007100***	***3013***	***0202***
JEFFERSON	***K103***	***PRECINCT 103 40 DISTRICT***			
JEFFERSON	***K104***	***PRECINCT 104 40 DISTRICT***			
JEFFERSON	***K105***	***PRECINCT 105 40 DISTRICT***			
JEFFERSON	***K107***	***PRECINCT 107 40 DISTRICT***			
JEFFERSON	***K108***	***PRECINCT 108 40 DISTRICT***			
JEFFERSON	***K110***	***PRECINCT 110 40 DISTRICT***			
JEFFERSON	***K111***	***PRECINCT 111 40 DISTRICT***			
JEFFERSON	***K112***	***PRECINCT 112 40 DISTRICT***			
JEFFERSON	***K113***	***PRECINCT 113 40 DISTRICT***			
JEFFERSON	***K114***	***PRECINCT 114 40 DISTRICT***			
JEFFERSON	***K116***	***PRECINCT 116 40 DISTRICT***			
JEFFERSON	***K117***	***PRECINCT 117 40 DISTRICT***			
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***003900***	***2006***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***003900***	***2007***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1000***	***0202***
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1001***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1002***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1003***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1004***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1005***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1006***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1007***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1008***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1009***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1010***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1011***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1012***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1014***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1015***	
JEFFERSON	***K118***	***PRECINCT 118 40 DISTRICT***	***004301***	***1016***	
JEFFERSON	***K119***	***PRECINCT 119 40 DISTRICT***			
JEFFERSON	***K121***	***PRECINCT 121 40 DISTRICT***			
JEFFERSON	***K122***	***PRECINCT 122 40 DISTRICT***			
JEFFERSON	***K123***	***PRECINCT 123 40 DISTRICT***			
JEFFERSON	***K125***	***PRECINCT 125 40 DISTRICT***			
JEFFERSON	***K126***	***PRECINCT 126 40 DISTRICT***			
JEFFERSON	***K127***	***PRECINCT 127 40 DISTRICT***			
JEFFERSON	***K128***	***PRECINCT 128 40 DISTRICT***			
JEFFERSON	***K129***	***PRECINCT 129 40 DISTRICT***			
JEFFERSON	***K130***	***PRECINCT 130 40 DISTRICT***			

JEFFERSON	*K131*		*PRECINCT 131 40 DISTRICT*			
JEFFERSON	*K132*		*PRECINCT 132 40 DISTRICT*			

SECTION 41. KRS 5.241 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-first Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
JEFFERSON	*E103*		*PRECINCT 103 32 DISTRICT*			
JEFFERSON	*E105*		*PRECINCT 105 32 DISTRICT*			
JEFFERSON	*E110*		*PRECINCT 110 32 DISTRICT*			
JEFFERSON	*E111*		*PRECINCT 111 32 DISTRICT*			
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1012*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1013*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1014*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1015*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1016*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1017*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1018*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1019*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1020*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1021*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1023*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1025*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1026*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1027*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1028*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1029*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1030*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1031*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1032*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1033*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1034*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1035*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1037*	*0202*
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1038*	*0203*
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1039*	*0202*
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1042*	
JEFFERSON	*E112*		*PRECINCT 112 32 DISTRICT*	*007800*	*1043*	
JEFFERSON	*E138*		*PRECINCT 138 32 DISTRICT*			
JEFFERSON	*G139*		*PRECINCT 139 34 DISTRICT*			
JEFFERSON	*L104*		*PRECINCT 104 41 DISTRICT*			
JEFFERSON	*L107*		*PRECINCT 107 41 DISTRICT*			
JEFFERSON	*L108*		*PRECINCT 108 41 DISTRICT*			
JEFFERSON	*L109*		*PRECINCT 109 41 DISTRICT*	*004900*	*1101*	
JEFFERSON	*L109*		*PRECINCT 109 41 DISTRICT*	*004900*	*1102*	
JEFFERSON	*L109*		*PRECINCT 109 41 DISTRICT*	*004900*	*1103*	
JEFFERSON	*L109*		*PRECINCT 109 41 DISTRICT*	*004900*	*1104*	
JEFFERSON	*L109*		*PRECINCT 109 41 DISTRICT*	*004900*	*1111*	
JEFFERSON	*L109*		*PRECINCT 109 41 DISTRICT*	*004900*	*1112*	
JEFFERSON	*L109*		*PRECINCT 109 41 DISTRICT*	*004900*	*1115*	

JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*005900*	*2002*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*005900*	*2003*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*005900*	*3002*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*005900*	*3003*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*005900*	*3004*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*005900*	*3005*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*005900*	*3006*
JEFFERSON	*L110*	*PRECINCT 110 41 DISTRICT*		
JEFFERSON	*L111*	*PRECINCT 111 41 DISTRICT*		
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1010*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1013*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1017*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1018*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1019*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1020*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1027*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1028*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1029*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1030*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1031*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1032*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1033*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1034*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1035*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1040*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*1041*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2028*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2029*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2030*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2031*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2032*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2033*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2034*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2035*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2036*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2037*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2038*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2039*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2040*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006200*	*2041*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006500*	*1000*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006500*	*1001*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006500*	*1009*
JEFFERSON	*L112*	*PRECINCT 112 41 DISTRICT*	*006500*	*1011*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1000*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1001*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1015*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1016*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1037*

JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1038
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1039
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1040
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1041
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1042
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1043
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1044
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1059
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1060
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1061
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1063
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4000
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4001
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4002
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4003
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4004
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4005
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4006
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4007
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4008
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4009
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4010
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4011
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4012
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4013
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4014
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4015
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4016
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4017
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4018
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4019
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4020
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4021
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4022
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4023
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4025
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4026
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4027
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4030
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1000
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1001
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1002
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1003
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1011
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1012
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1021
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1022
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1023
JEFFERSON	L115	PRECINCT 115 41 DISTRICT	008100	4009

JEFFERSON	L115	PRECINCT 115 41 DISTRICT	008100	4010	
JEFFERSON	L115	PRECINCT 115 41 DISTRICT	008100	4011	
JEFFERSON	L115	PRECINCT 115 41 DISTRICT	008100	4013	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	005900	1002	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	005900	1003	0102
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1007	0102
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1008	0102
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1009	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1010	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1011	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1015	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1016	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1017	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1018	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1019	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1020	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1021	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1022	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1023	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1024	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1027	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1028	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1029	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1030	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1031	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1032	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1035	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1036	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1037	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1038	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1000	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1001	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1002	0102
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1004	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1005	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1006	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1007	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1008	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1009	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1010	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1011	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	1012	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	2000	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007602	2001	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007603	1005	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007603	1006	
JEFFERSON	L118	PRECINCT 118 41 DISTRICT			
JEFFERSON	L119	PRECINCT 119 41 DISTRICT			
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2005	

JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2007	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2008	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2009	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2012	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2013	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2014	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2015	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2016	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2017	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2018	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2034	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002400	2035	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	2000	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	2001	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	3000	0202
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	3001	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	3002	0102
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1075	0203
JEFFERSON	L133	PRECINCT 133 41 DISTRICT			
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1001	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1012	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1014	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1015	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1017	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1018	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1019	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1020	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1024	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1025	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1026	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	1027	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2000	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2001	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2002	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2003	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2006	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2007	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2008	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2009	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2010	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2011	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2012	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2013	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2016	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2017	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2018	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	2019	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3000	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3001	

JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3002	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3003	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3008	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3009	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4008	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4009	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4010	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4021	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4022	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4023	0202
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4031	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4032	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4033	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4034	
JEFFERSON	M114	PRECINCT 114 42 DISTRICT			
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4000	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4001	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4002	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4003	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4004	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4007	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4011	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4012	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4013	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4014	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4015	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4016	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4017	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4018	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4019	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4020	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4023	0102
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4024	0102
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4025	0102
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4027	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4028	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4029	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	004900	3016	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	004900	3017	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	004900	3023	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	004900	3024	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1007	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1008	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1009	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1010	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1011	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1012	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1013	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	005000	1014	

JEFFERSON	*M115*		*PRECINCT 115 42 DISTRICT*	*005000*	*1015*	
JEFFERSON	*M115*		*PRECINCT 115 42 DISTRICT*	*005000*	*1016*	
JEFFERSON	*M115*		*PRECINCT 115 42 DISTRICT*	*005000*	*1017*	
JEFFERSON	*M115*		*PRECINCT 115 42 DISTRICT*	*005000*	*1019*	
JEFFERSON	*M115*		*PRECINCT 115 42 DISTRICT*	*005000*	*1020*	
JEFFERSON	*M116*		*PRECINCT 116 42 DISTRICT*			
JEFFERSON	*M117*		*PRECINCT 117 42 DISTRICT*			
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*002700*	*4024*	*0202*
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*002700*	*4025*	*0202*
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*002700*	*4026*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*002700*	*4046*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1001*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1002*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1003*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1006*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1007*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1008*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1009*	
JEFFERSON	*M121*		*PRECINCT 121 42 DISTRICT*	*005100*	*1010*	
JEFFERSON	*M136*		*PRECINCT 136 42 DISTRICT*			
JEFFERSON	*N121*		*PRECINCT 121 43 DISTRICT*			
JEFFERSON	*N122*		*PRECINCT 122 43 DISTRICT*			

SECTION 42. KRS 5.242 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-second Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
JEFFERSON	*G138*		*PRECINCT 138 34 DISTRICT*			
JEFFERSON	*G140*		*PRECINCT 140 34 DISTRICT*	*008100*	*2006*	*0102*
JEFFERSON	*G140*		*PRECINCT 140 34 DISTRICT*	*008100*	*2013*	
JEFFERSON	*G153*		*PRECINCT 153 34 DISTRICT*			
JEFFERSON	*L112*		*PRECINCT 112 41 DISTRICT*	*006200*	*1036*	
JEFFERSON	*L112*		*PRECINCT 112 41 DISTRICT*	*006200*	*1037*	
JEFFERSON	*L112*		*PRECINCT 112 41 DISTRICT*	*006500*	*2003*	
JEFFERSON	*L112*		*PRECINCT 112 41 DISTRICT*	*006500*	*2004*	
JEFFERSON	*L112*		*PRECINCT 112 41 DISTRICT*	*006500*	*2005*	
JEFFERSON	*L112*		*PRECINCT 112 41 DISTRICT*	*006500*	*2012*	
JEFFERSON	*L112*		*PRECINCT 112 41 DISTRICT*	*006500*	*2013*	
JEFFERSON	*L113*		*PRECINCT 113 41 DISTRICT*	*006200*	*1024*	
JEFFERSON	*L113*		*PRECINCT 113 41 DISTRICT*	*006200*	*1025*	*0202*
JEFFERSON	*L113*		*PRECINCT 113 41 DISTRICT*	*006200*	*1026*	
JEFFERSON	*L113*		*PRECINCT 113 41 DISTRICT*	*006200*	*1038*	
JEFFERSON	*L113*		*PRECINCT 113 41 DISTRICT*	*006200*	*1039*	*0202*
JEFFERSON	*L114*		*PRECINCT 114 41 DISTRICT*			
JEFFERSON	*L115*		*PRECINCT 115 41 DISTRICT*	*008100*	*3005*	
JEFFERSON	*L115*		*PRECINCT 115 41 DISTRICT*	*008100*	*3006*	
JEFFERSON	*L115*		*PRECINCT 115 41 DISTRICT*	*008100*	*3008*	
JEFFERSON	*L115*		*PRECINCT 115 41 DISTRICT*	*008100*	*3009*	
JEFFERSON	*L115*		*PRECINCT 115 41 DISTRICT*	*008100*	*4012*	
JEFFERSON	*L115*		*PRECINCT 115 41 DISTRICT*	*008100*	*4014*	

JEFFERSON	L115	PRECINCT 115 41 DISTRICT	008100	4015	
JEFFERSON	L116	PRECINCT 116 41 DISTRICT			
JEFFERSON	L121	PRECINCT 121 41 DISTRICT			
JEFFERSON	L124	PRECINCT 124 41 DISTRICT			
JEFFERSON	L126	PRECINCT 126 41 DISTRICT			
JEFFERSON	L127	PRECINCT 127 41 DISTRICT			
JEFFERSON	L129	PRECINCT 129 41 DISTRICT			
JEFFERSON	L130	PRECINCT 130 41 DISTRICT			
JEFFERSON	L131	PRECINCT 131 41 DISTRICT			
JEFFERSON	M102	PRECINCT 102 42 DISTRICT			
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	2007	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	2009	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	2011	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3000	0102
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3001	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3002	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3003	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3004	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3008	0102
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3009	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3010	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3011	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	3012	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4013	0102
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4014	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4015	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4016	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4017	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4020	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4021	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4022	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4023	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4024	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4025	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4026	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	4027	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001400	1000	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001400	1001	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001400	1002	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001400	1003	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001400	1004	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001400	1005	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001400	2000	
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	012701	1000	0303
JEFFERSON	M104	PRECINCT 104 42 DISTRICT			
JEFFERSON	M105	PRECINCT 105 42 DISTRICT			
JEFFERSON	M106	PRECINCT 106 42 DISTRICT			
JEFFERSON	M107	PRECINCT 107 42 DISTRICT			
JEFFERSON	M110	PRECINCT 110 42 DISTRICT			

JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3016	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	3017	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4030	0202
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4035	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4036	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4037	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4038	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002700	4039	0202
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002800	1000	
JEFFERSON	M113	PRECINCT 113 42 DISTRICT	002800	1014	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4030	0102
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4039	0102
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4040	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4041	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4042	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4043	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4044	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4045	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4047	0202
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4048	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4049	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4050	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4051	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4052	
JEFFERSON	M115	PRECINCT 115 42 DISTRICT	002700	4053	
JEFFERSON	M120	PRECINCT 120 42 DISTRICT			
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	002700	4047	0102
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	002700	4065	0202
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005100	2006	
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005100	3006	
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005200	1000	
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005200	1001	
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005200	1003	
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005200	1005	
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005200	1006	0202
JEFFERSON	M121	PRECINCT 121 42 DISTRICT	005200	1012	
JEFFERSON	M123	PRECINCT 123 42 DISTRICT			
JEFFERSON	M124	PRECINCT 124 42 DISTRICT			
JEFFERSON	M125	PRECINCT 125 42 DISTRICT			
JEFFERSON	M129	PRECINCT 129 42 DISTRICT			
JEFFERSON	M130	PRECINCT 130 42 DISTRICT			
JEFFERSON	M131	PRECINCT 131 42 DISTRICT			
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1000	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1001	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1002	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1007	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1008	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1009	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1010	

JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1011	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2000	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2001	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2002	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2006	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2010	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2997	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2998	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	3000	0202
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	3005	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	3006	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	3007	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	3008	0202
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4000	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4001	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4002	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4003	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4004	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4005	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4006	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4007	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4008	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4009	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4010	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4011	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4012	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4013	0202
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4018	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	4019	
JEFFERSON	M133	PRECINCT 133 42 DISTRICT			
JEFFERSON	M134	PRECINCT 134 42 DISTRICT			
JEFFERSON	M135	PRECINCT 135 42 DISTRICT			
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1005	0102
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1006	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1007	0102
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1008	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1009	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1010	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1011	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1012	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1028	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1029	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1031	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1032	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1033	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1034	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	1035	
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	2003	0102
JEFFERSON	N118	PRECINCT 118 43 DISTRICT	000600	2005	

JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2006	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2008	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2009	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2010	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2011	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2014	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2015	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	2016	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	1003	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	1004	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	1005	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	1007	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	1008	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	2002	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	2003	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	2004	0202
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	2007	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	3001	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001100	1000	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001100	1001	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001100	1016	0202
JEFFERSON	O103		PRECINCT 103 44 DISTRICT			
JEFFERSON	O104		PRECINCT 104 44 DISTRICT			

SECTION 43. KRS 5.243 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-third Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	E104		PRECINCT 104 32 DISTRICT			
JEFFERSON	E146		PRECINCT 146 32 DISTRICT			
JEFFERSON	L101		PRECINCT 101 41 DISTRICT			
JEFFERSON	L103		PRECINCT 103 41 DISTRICT			
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1000	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1001	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1002	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1003	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1004	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1005	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1006	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1007	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1008	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1009	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1010	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1011	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1012	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1013	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1014	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1015	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1016	
JEFFERSON	L109		PRECINCT 109 41 DISTRICT	004900	1017	

JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1018*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1019*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1020*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1021*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1022*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1023*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1024*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1047*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1048*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1049*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1050*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1051*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1052*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1053*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1054*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1055*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1056*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1057*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1058*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1059*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1060*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1061*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1062*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1063*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1064*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1065*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1066*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1067*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1068*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1069*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1070*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1079*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1080*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1081*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1082*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1083*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1084*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1085*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1086*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1087*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1088*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1089*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1090*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1091*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1092*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1093*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1094*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1095*
JEFFERSON	*L109*	*PRECINCT 109 41 DISTRICT*	*004900*	*1096*

JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1097	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1098	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1099	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1100	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1113	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1114	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1116	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1117	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1118	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1119	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1998	0202
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1999	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1007	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1024	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1025	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1026	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1027	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1028	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1049	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1050	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1051	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1052	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1053	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1067	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1068	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1069	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	2000	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	2001	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	3000	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	3001	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1003	0202
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1004	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1005	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1006	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1008	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1009	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1010	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1011	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1012	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1013	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1014	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1017	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1018	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1019	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1020	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1021	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1022	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1023	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1029	

JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1030*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1031*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1032*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1033*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1034*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1035*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1036*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1045*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1046*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1047*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1048*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1054*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1055*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1056*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1057*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1058*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1064*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1065*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*005900*	*1066*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1013*	*0102*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1032*	*0102*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1033*	*0102*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1034*	*0102*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1035*	*0102*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1038*	*0102*
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1039*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1040*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1997*	
JEFFERSON	*L113*	*PRECINCT 113 41 DISTRICT*	*007400*	*1998*	*0103*
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1005*	*0102*
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1006*	*0102*
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1012*	
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1013*	*0202*
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1014*	
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1033*	*0202*
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1034*	*0202*
JEFFERSON	*L117*	*PRECINCT 117 41 DISTRICT*	*007400*	*1998*	*0303*
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1000*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1001*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1027*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1028*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1029*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1030*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1031*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002300*	*1032*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002400*	*2000*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002400*	*2001*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*002400*	*2006*	
JEFFERSON	*L122*	*PRECINCT 122 41 DISTRICT*	*003000*	*1000*	

JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1001
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1002
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1003
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1004
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1005
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1006
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1007
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1008
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1009
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1010
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1011
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1012
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1013
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1014
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1015
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1016
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1017
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1018
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1019
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1020
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1021
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1022
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1023
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1024
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1025
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	003000	1026
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1025
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1026
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1027
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1028
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1029
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1030
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1031
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1032
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1033
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1034
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1035
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1036
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1037
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1038
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1039
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1040
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1041
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1042
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1043
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1044
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1045
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1046
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1071

JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1072	
JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1073	
JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1074	
JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1120	
JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1121	
JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1122	
JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1997	
JEFFERSON	L122		PRECINCT 122 41 DISTRICT	004900	1998	0102
JEFFERSON	L132		PRECINCT 132 41 DISTRICT			
JEFFERSON	M103		PRECINCT 103 42 DISTRICT	001200	2008	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	1003	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	1004	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	1005	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	1006	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	2003	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	2004	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	2005	
JEFFERSON	M132		PRECINCT 132 42 DISTRICT	001200	2999	
JEFFERSON	N101		PRECINCT 101 43 DISTRICT			
JEFFERSON	N102		PRECINCT 102 43 DISTRICT			
JEFFERSON	N103		PRECINCT 103 43 DISTRICT			
JEFFERSON	N104		PRECINCT 104 43 DISTRICT			
JEFFERSON	N105		PRECINCT 105 43 DISTRICT			
JEFFERSON	N106		PRECINCT 106 43 DISTRICT			
JEFFERSON	N107		PRECINCT 107 43 DISTRICT			
JEFFERSON	N108		PRECINCT 108 43 DISTRICT			
JEFFERSON	N109		PRECINCT 109 43 DISTRICT			
JEFFERSON	N110		PRECINCT 110 43 DISTRICT			
JEFFERSON	N111		PRECINCT 111 43 DISTRICT			
JEFFERSON	N112		PRECINCT 112 43 DISTRICT			
JEFFERSON	N113		PRECINCT 113 43 DISTRICT			
JEFFERSON	N115		PRECINCT 115 43 DISTRICT			
JEFFERSON	N117		PRECINCT 117 43 DISTRICT			
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	000600	1036	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	1001	
JEFFERSON	N118		PRECINCT 118 43 DISTRICT	001000	1002	
JEFFERSON	N119		PRECINCT 119 43 DISTRICT			
JEFFERSON	N124		PRECINCT 124 43 DISTRICT			
JEFFERSON	S101		PRECINCT 101 48 DISTRICT			
JEFFERSON	S102		PRECINCT 102 48 DISTRICT			
JEFFERSON	S103		PRECINCT 103 48 DISTRICT			
JEFFERSON	S136		PRECINCT 136 48 DISTRICT			

SECTION 44. KRS 5.244 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	A117		PRECINCT 117 28 DISTRICT			
JEFFERSON	A119		PRECINCT 119 28 DISTRICT	012103	1005	
JEFFERSON	A119		PRECINCT 119 28 DISTRICT	012103	3004	0202

JEFFERSON	*A120*		*PRECINCT 120 28 DISTRICT*			
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1023*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1024*	*0202*
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*1999*	*0102*
JEFFERSON	*A133*		*PRECINCT 133 28 DISTRICT*			
JEFFERSON	*O105*		*PRECINCT 105 44 DISTRICT*			
JEFFERSON	*O107*		*PRECINCT 107 44 DISTRICT*			
JEFFERSON	*O109*		*PRECINCT 109 44 DISTRICT*			
JEFFERSON	*O111*		*PRECINCT 111 44 DISTRICT*			
JEFFERSON	*O112*		*PRECINCT 112 44 DISTRICT*			
JEFFERSON	*O113*		*PRECINCT 113 44 DISTRICT*			
JEFFERSON	*O114*		*PRECINCT 114 44 DISTRICT*			
JEFFERSON	*O115*		*PRECINCT 115 44 DISTRICT*			
JEFFERSON	*O116*		*PRECINCT 116 44 DISTRICT*			
JEFFERSON	*O117*		*PRECINCT 117 44 DISTRICT*			
JEFFERSON	*O119*		*PRECINCT 119 44 DISTRICT*			
JEFFERSON	*O121*		*PRECINCT 121 44 DISTRICT*			
JEFFERSON	*O123*		*PRECINCT 123 44 DISTRICT*			
JEFFERSON	*O124*		*PRECINCT 124 44 DISTRICT*			
JEFFERSON	*O126*		*PRECINCT 126 44 DISTRICT*			
JEFFERSON	*O127*		*PRECINCT 127 44 DISTRICT*			
JEFFERSON	*O128*		*PRECINCT 128 44 DISTRICT*			
JEFFERSON	*O129*		*PRECINCT 129 44 DISTRICT*			
JEFFERSON	*O130*		*PRECINCT 130 44 DISTRICT*			
JEFFERSON	*O131*		*PRECINCT 131 44 DISTRICT*			

SECTION 45. KRS 5.245 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-fifth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
FAYETTE	*A139*		*TURFLAND*			
FAYETTE	*A151*		*CLAYS MILL*			
FAYETTE	*A157*		*HARRODS HILL*			
FAYETTE	*A166*		*TWIN OAKS*			
FAYETTE	*A167*		*PASADENA*			
FAYETTE	*A176*		*SUNGALE*			
FAYETTE	*A180*		*BEAUMONT CENTRE*			
FAYETTE	*A182*		*ASHBROOKE*	*004202*	*2027*	
FAYETTE	*A182*		*ASHBROOKE*	*004202*	*2028*	
FAYETTE	*A182*		*ASHBROOKE*	*004202*	*2035*	
FAYETTE	*A182*		*ASHBROOKE*	*004202*	*2036*	
FAYETTE	*B101*		*CLEMENS HTS.*			
FAYETTE	*B104*		*BRIGADOON*			
FAYETTE	*B106*		*WILDWOOD*			
FAYETTE	*B117*		*KEITHSHIRE*			
FAYETTE	*B129*		*MONTICELLO*			
FAYETTE	*B130*		*OPEN GATES*			
FAYETTE	*B141*		*STONE*			
FAYETTE	*B142*		*STONEWALL*			
FAYETTE	*B146*		*KENLOCK*			

FAYETTE	B150	ROBINWOOD
FAYETTE	B153	WHITFIELD
FAYETTE	B154	TUDOR
FAYETTE	B156	BAYSWATER
FAYETTE	B159	SOUTHVIEW
FAYETTE	B163	PLANTATION
FAYETTE	B164	BLUEBERRY HILLS
FAYETTE	B170	PICKWAY
FAYETTE	B172	SHILLITO
FAYETTE	B175	HIGHPLAIN
FAYETTE	B177	WYNDHAM HILLS
FAYETTE	B183	CAVE HILL
FAYETTE	B184	PALOMAR
FAYETTE	B185	SCENICVIEW
FAYETTE	B186	GLENVIEW
FAYETTE	B187	STONE CREEK
FAYETTE	B191	WAVERLY
FAYETTE	B192	PALMETTO
FAYETTE	B193	HIDDEN SPRINGS
FAYETTE	B199	INDIAN HILLS
FAYETTE	B200	WHITE PINE
FAYETTE	B201	HARRODS VIEW
FAYETTE	B203	WYNDSONG
FAYETTE	B205	BLACKHORSE
FAYETTE	B206	ROLLING CREEK
FAYETTE	B207	FOX HARBOUR
FAYETTE	B208	VALE

SECTION 46. KRS 5.246 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	B129		PRECINCT 129 29 DISTRICT			
JEFFERSON	B150		PRECINCT 150 29 DISTRICT			
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2002	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2003	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2005	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2006	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2007	
JEFFERSON	Q101		PRECINCT 101 46 DISTRICT			
JEFFERSON	Q103		PRECINCT 103 46 DISTRICT			
JEFFERSON	Q104		PRECINCT 104 46 DISTRICT			
JEFFERSON	Q105		PRECINCT 105 46 DISTRICT			
JEFFERSON	Q107		PRECINCT 107 46 DISTRICT			
JEFFERSON	Q109		PRECINCT 109 46 DISTRICT			
JEFFERSON	Q112		PRECINCT 112 46 DISTRICT			
JEFFERSON	Q113		PRECINCT 113 46 DISTRICT			
JEFFERSON	Q114		PRECINCT 114 46 DISTRICT			
JEFFERSON	Q115		PRECINCT 115 46 DISTRICT			
JEFFERSON	Q116		PRECINCT 116 46 DISTRICT			

JEFFERSON	Q117		PRECINCT 117 46 DISTRICT			
JEFFERSON	Q118		PRECINCT 118 46 DISTRICT			
JEFFERSON	Q119		PRECINCT 119 46 DISTRICT			
JEFFERSON	Q120		PRECINCT 120 46 DISTRICT			
JEFFERSON	Q122		PRECINCT 122 46 DISTRICT			
JEFFERSON	Q123		PRECINCT 123 46 DISTRICT			
JEFFERSON	Q124		PRECINCT 124 46 DISTRICT			
JEFFERSON	Q125		PRECINCT 125 46 DISTRICT			
JEFFERSON	Q126		PRECINCT 126 46 DIST			
JEFFERSON	Q127		PRECINCT 127 46 DISTRICT			

SECTION 47. KRS 5.247 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-seventh Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CARROLL						
HENRY						
OLDHAM	B101		SKYLIGHT			
OLDHAM	C101		COVINGTON			
OLDHAM	C102		NORTH LAGRANGE			
OLDHAM	C104		EAST LAGRANGE			
OLDHAM	C105		WESTPORT			
OLDHAM	D102		WEST LAGRANGE			
TRIMBLE						

SECTION 48. KRS 5.248 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	E153		PRECINCT 153 32 DISTRICT			
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1023	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1026	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1036	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1037	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1038	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1039	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1040	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1041	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1042	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1043	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1044	
JEFFERSON	F103		PRECINCT 103 33 DISTRICT			
JEFFERSON	F108		PRECINCT 108 33 DISTRICT			
JEFFERSON	F134		PRECINCT 134 33 DISTRICT			
JEFFERSON	F137		PRECINCT 137 33 DISTRICT			
JEFFERSON	F138		PRECINCT 138 33 DIST	010306	1042	0303
JEFFERSON	F138		PRECINCT 138 33 DIST	010306	1043	
JEFFERSON	F138		PRECINCT 138 33 DIST	010306	1054	0202
JEFFERSON	F142		PRECINCT 142 33 DISTRICT			
JEFFERSON	F144		PRECINCT 144 33 DISTRICT			
JEFFERSON	S116		PRECINCT 116 48 DISTRICT			

JEFFERSON	*S117*	*PRECINCT 117 48 DISTRICT*		
JEFFERSON	*S118*	*PRECINCT 118 48 DISTRICT*		
JEFFERSON	*S119*	*PRECINCT 119 48 DISTRICT*		
JEFFERSON	*S122*	*PRECINCT 122 48 DISTRICT*		
JEFFERSON	*S125*	*PRECINCT 125 48 DISTRICT*		
JEFFERSON	*S126*	*PRECINCT 126 48 DISTRICT*		
JEFFERSON	*S128*	*PRECINCT 128 48 DISTRICT*		
JEFFERSON	*S129*	*PRECINCT 129 48 DISTRICT*		
JEFFERSON	*S130*	*PRECINCT 130 48 DISTRICT*		
JEFFERSON	*S131*	*PRECINCT 131 48 DISTRICT*		
JEFFERSON	*S132*	*PRECINBT 132 48 DISTRICT*		
JEFFERSON	*S133*	*PRECINCT 133 48 DISTRICT*		
JEFFERSON	*S135*	*PRECINCT 135 48 DISTRICT*		
JEFFERSON	*S137*	*PRECINCT 137 48 DISTRICT*		
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*1005*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2000*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2001*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2002*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2003*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2004*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2005*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2006*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2007*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2012*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2013*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2014*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2015*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010303*	*2016*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010310*	*1022*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010310*	*1023*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010310*	*1024*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010311*	*1005*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010311*	*1006*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010311*	*1007*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010311*	*1008*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010311*	*1009*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010311*	*1010*
JEFFERSON	*S139*	*PRECINCT 139 48 DISTRICT*	*010311*	*1011*
JEFFERSON	*S140*	*PRECINCT 140 48 DISTRICT*		
JEFFERSON	*S141*	*PRECINCT 141 48 DISTRICT*		
JEFFERSON	*S142*	*PRECINCT 142 48 DISTRICT*		
JEFFERSON	*S143*	*PRECINCT 143 48 DIST*		
JEFFERSON	*S144*	*PRECINCT 144 48 DISTRICT*		

SECTION 49. KRS 5.249 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-ninth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1015*	
BULLITT	*A101*		*SHEPHERDSVILLE #1*	*020700*	*1999*	

BULLITT	A101	SHEPHERDSVILLE #1	020700	3011	
BULLITT	A101	SHEPHERDSVILLE #1	020700	3012	
BULLITT	A101	SHEPHERDSVILLE #1	020700	3013	
BULLITT	A101	SHEPHERDSVILLE #1	020700	3014	
BULLITT	A101	SHEPHERDSVILLE #1	020700	3017	
BULLITT	A101	SHEPHERDSVILLE #1	020700	3018	
BULLITT	A101	SHEPHERDSVILLE #1	020700	3019	
BULLITT	A101	SHEPHERDSVILLE #1	020700	3020	
BULLITT	A103	SHEPHERDSVILLE #3			
BULLITT	A104	PLEASANT GROVE #4			
BULLITT	A106	SHEPERDSVILLE #2A			
BULLITT	A107	BROOKS #12			
BULLITT	A108	BROOKS #12A			
BULLITT	B101	MT. WASHINGTON #7	020100	3001	
BULLITT	B101	MT. WASHINGTON #7	020100	3002	
BULLITT	B101	MT. WASHINGTON #7	020100	3003	
BULLITT	B101	MT. WASHINGTON #7	020100	3004	
BULLITT	B101	MT. WASHINGTON #7	020100	3005	
BULLITT	B101	MT. WASHINGTON #7	020100	3019	
BULLITT	B102	MT. WASHINGTON #8			
BULLITT	B103	MT. WASHINGTON #9			
BULLITT	B105	ZONETON #11			
BULLITT	B107	MT. WASHINGTON #9-A			
BULLITT	B108	MT. WASHINGTON #8A	020200	1001	
BULLITT	B108	MT. WASHINGTON #8A	020200	1002	
BULLITT	B108	MT. WASHINGTON #8A	020200	1003	
BULLITT	B108	MT. WASHINGTON #8A	020200	1004	
BULLITT	B108	MT. WASHINGTON #8A	020200	1005	
BULLITT	B108	MT. WASHINGTON #8A	020200	1006	
BULLITT	B108	MT. WASHINGTON #8A	020200	1007	
BULLITT	B108	MT. WASHINGTON #8A	020200	1008	
BULLITT	B108	MT. WASHINGTON #8A	020200	1009	
BULLITT	B108	MT. WASHINGTON #8A	020200	1010	
BULLITT	B108	MT. WASHINGTON #8A	020200	1011	
BULLITT	B108	MT. WASHINGTON #8A	020200	1012	
BULLITT	B108	MT. WASHINGTON #8A	020200	1013	
BULLITT	B108	MT. WASHINGTON #8A	020200	1014	
BULLITT	B108	MT. WASHINGTON #8A	020200	1015	0203
BULLITT	B108	MT. WASHINGTON #8A	020200	1028	
BULLITT	B108	MT. WASHINGTON #8A	020200	1029	
BULLITT	B108	MT. WASHINGTON #8A	020200	1030	
BULLITT	B108	MT. WASHINGTON #8A	020200	1031	
BULLITT	B108	MT. WASHINGTON #8A	020200	1032	
BULLITT	B108	MT. WASHINGTON #8A	020200	1033	
BULLITT	B108	MT. WASHINGTON #8A	020200	1034	
BULLITT	B108	MT. WASHINGTON #8A	020200	1035	
BULLITT	B108	MT. WASHINGTON #8A	020200	1036	
BULLITT	B108	MT. WASHINGTON #8A	020200	1037	
BULLITT	B108	MT. WASHINGTON #8A	020200	2006	0103

BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2006*	*0303*
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2010*	*0102*
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2011*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2012*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2014*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2021*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2022*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2023*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2024*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2026*	
BULLITT	*B110*		*MT. WASHINGTON #9-NORTH*			
BULLITT	*B111*		*MT. WASHINGTON #9-B*			
BULLITT	*B112*		*ZONETON #11-B*			
BULLITT	*C101*		*HEBRON #5*			
BULLITT	*C102*		*MARYVILLE #6*			
BULLITT	*C103*		*ZONETON # 11-A*			
BULLITT	*C104*		*MARYVILLE SOUTH #19*			
BULLITT	*C105*		*HEBRON #5A*			
BULLITT	*C106*		*HEBRON #5B*			
BULLITT	*C107*		*MARYVILLE #6A*			
BULLITT	*D108*		*SHEPHERDSVILLE #2*			
BULLITT	*D109*		*SHEPHERDSVILLE #2-NORTH*			

SECTION 50. KRS 5.250 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fiftieth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3000*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3006*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3007*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3008*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3009*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3010*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3011*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3012*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3013*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3014*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3015*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3016*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3017*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3018*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3020*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3021*	
BULLITT	*B101*		*MT. WASHINGTON #7*	*020100*	*3022*	
BULLITT	*B104*		*MT. WASHINGTON #10*			
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*2025*	
BULLITT	*B108*		*MT. WASHINGTON #8A*	*020200*	*3024*	
BULLITT	*B109*		*MT. WASHINGTON #7-A*			
NELSON						
SPENCER	*D102*		*CAMPBRANCH #2*			

SECTION 51. KRS 5.251 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-first Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
ADAIR						
TAYLOR						

SECTION 52. KRS 5.252 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-second Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
MCCREARY						
PULASKI	***A107***		***NAOMI EAST***			
PULASKI	***E106***		***OKOLONA # 16***			
PULASKI	***E107***		***OKOLONA NORTH***			
PULASKI	***G102***		***BURNSIDE COUNTY 36 A***			
PULASKI	***G106***		***BRONSTON NORTH***			
WAYNE						

SECTION 53. KRS 5.253 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-third Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
CUMBERLAND						
GREEN						
METCALFE						
MONROE						

SECTION 54. KRS 5.254 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
BOYLE						
WASHINGTON						

SECTION 55. KRS 5.255 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-fifth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
ANDERSON						
MERCER						
SPENCER	***D101***		***CAMPBRANCH***			
SPENCER	***E102***		***MT EDEN #7***			

SECTION 56. KRS 5.256 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
FAYETTE	***A101***		***ALEXANDRIA***			
FAYETTE	***A103***		***BEAUMONT***			
FAYETTE	***A113***		***GARDEN SPRINGS***			
FAYETTE	***A121***		***KEYS***			
FAYETTE	***A123***		***LANE ALLEN***			
FAYETTE	***A138***		***THE COLONY***			

FAYETTE	A145		WOLF RUN			
FAYETTE	A158		ARMORY			
FAYETTE	A182		ASHBROOKE	004202	2029	
FAYETTE	A182		ASHBROOKE	004202	2030	
FAYETTE	A182		ASHBROOKE	004202	2033	
FAYETTE	A182		ASHBROOKE	004202	2034	
FRANKLIN	B101		JETT			
FRANKLIN	B102	0102	COUNTRY CLUB			
FRANKLIN	B102	0202	COUNTRY CLUB			
FRANKLIN	B106		STATION SPRINGS			
FRANKLIN	C104		SWITZER			
FRANKLIN	C108		FORKS OF ELKHORN			
FRANKLIN	D101		SWALLOWFIELD			
FRANKLIN	D103		PEAKS MILL			
WOODFORD						

SECTION 57. KRS 5.257 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-seventh Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FRANKLIN	A101		FARMDALE			
FRANKLIN	A102		CLOVERDALE			
FRANKLIN	A103		VOGLER-COLEMAN			
FRANKLIN	A104		THISTLETON			
FRANKLIN	A105		BRIDGE-GLENNS			
FRANKLIN	A106		GREEN WILSON			
FRANKLIN	A107		CAPITOL			
FRANKLIN	B103		SUNSET			
FRANKLIN	B104		GREEN HILL			
FRANKLIN	B105		FRANKLIN HEIGHTS			
FRANKLIN	B108		TIERRA LINDA			
FRANKLIN	B109		BELLVIEW			
FRANKLIN	C101		CRESTWOOD			
FRANKLIN	C102		SCHENKEL LANE			
FRANKLIN	C105		ARNOLD			
FRANKLIN	C106		SCRUGGS			
FRANKLIN	C107		SILVER LAKE			
FRANKLIN	C109	0102	RIDGEVIEW			
FRANKLIN	C109	0202	RIDGEVIEW			
FRANKLIN	C110		RUSSELL			
FRANKLIN	D102		OWENTON RD			
FRANKLIN	D105		GLENWOOD			
FRANKLIN	D106		GAINS-HOLMES			
FRANKLIN	D108		THORN HILL			
FRANKLIN	D109		FAIRVIEW			
FRANKLIN	E101		LOUISVILLE RD			
FRANKLIN	E102		SOUTH BENSON			
FRANKLIN	E107		EVERGREEN			
FRANKLIN	E108	0102	COLLINS LANE			
FRANKLIN	E108	0202	COLLINS LANE			

FRANKLIN	*E109*	*WESTGATE*
FRANKLIN	*E110*	*NORTH WESTGATE*
FRANKLIN	*F101*	*BALD KNOB*
FRANKLIN	*F102*	*COURTHOUSE*
FRANKLIN	*F103*	*ST JOHN*
FRANKLIN	*F104*	*BELLEPOINT*
FRANKLIN	*F105*	*HICKORY HILLS*
FRANKLIN	*F106*	*CHOATEVILLE*
FRANKLIN	*F108*	*BRIDGEPORT-BOTKINS*

SECTION 58. KRS 5.258 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
SHELBY						
SPENCER	*A101*		*TAYLORSVILLE #1*			
SPENCER	*B101*		*WATERFORD*			
SPENCER	*C101*		*ELK CREEK*			
SPENCER	*C102*		*ELK CREEK #8*			
SPENCER	*E101*		*LITTLE MOUNT*			

SECTION 59. KRS 5.259 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-ninth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
JEFFERSON	*S139*		*PRECINCT 139 48 DISTRICT*	*010311*	*1000*	
JEFFERSON	*S139*		*PRECINCT 139 48 DISTRICT*	*010311*	*1001*	
JEFFERSON	*S139*		*PRECINCT 139 48 DISTRICT*	*010311*	*1002*	
JEFFERSON	*S139*		*PRECINCT 139 48 DISTRICT*	*010311*	*1003*	
JEFFERSON	*S139*		*PRECINCT 139 48 DISTRICT*	*010311*	*1004*	
JEFFERSON	*T101*		*PRECINCT 101 59 DISTRICT*			
JEFFERSON	*T102*		*PRECINCT 102 59 DISTRICT*			
OLDHAM	*A101*		*NORTH GOSHEN*			
OLDHAM	*A103*		*HARMONY*			
OLDHAM	*A104*		*SOUTH HARMONY*			
OLDHAM	*B104*		*WEST BUCKNER*			
OLDHAM	*D101*		*SOUTHEAST LAGRANGE*			
OLDHAM	*D103*		*EAST BALLARDSVILLE*			
OLDHAM	*D104*		*WEST BALLARDSVILLE*			
OLDHAM	*E101*		*EAST WORTH*			
OLDHAM	*E102*		*WEST WORTH*			
OLDHAM	*E103*		*SOUTH PEWEE VALLY*			
OLDHAM	*F102*		*EAST BUCKNER*			
OLDHAM	*F103*		*GLENARM*			
OLDHAM	*F104*		*CENTERFIELD*			
OLDHAM	*G101*		*BROWNSBORO*			
OLDHAM	*G102*		*BRIAR HILL*			
OLDHAM	*G103*		*NORTH 22*			
OLDHAM	*G104*		*COVERED BRIDGE*			
OLDHAM	*H101*		*NORTH CRESTWOOD*			
OLDHAM	*H103*		*NORTH PEWEE VALLY*			

OLDHAM	*H104*		*CRESTWOOD*			

SECTION 60. KRS 5.260 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixtieth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BOONE	*A102*		*BELLEVIEW*			
BOONE	*A104*		*BURLINGTON #1*			
BOONE	*A105*		*BURLINGTON #2*			
BOONE	*A106*		*CARLTON*			
BOONE	*A110*		*PETERSBURG*			
BOONE	*A112*		*BURLINGTON #4*			
BOONE	*B108*		*FLORENCE # 8*			
BOONE	*B110*		*FLORENCE # 10*			
BOONE	*B111*		*FLORENCE #11*			
BOONE	*B113*		*FLORENCE #13*			
BOONE	*C101*		*BEAVER*			
BOONE	*C102*		*DEVON #1*			
BOONE	*C104*		*HAMILTON*			
BOONE	*C105*		*UNION # 1*			
BOONE	*C106*		*UNION # 2*			
BOONE	*C107*		*VERONA*			
BOONE	*C108*		*WALTON #1*			
BOONE	*C109*		*WALTON #2*			
BOONE	*C110*		*DEVON #2*			
BOONE	*C115*		*UNION # 3*			
BOONE	*C116*		*PLEASANT VALLEY*			
BOONE	*C117*		*DEVON #3*			
BOONE	*C119*		*UNION #4*			
BOONE	*C121*		*SHAMROCK*			

SECTION 61. KRS 5.261 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-first Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
GALLATIN						
GRANT						
OWEN						

SECTION 62. KRS 5.262 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-second Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1000*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1001*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1002*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1003*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1004*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1005*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1006*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1007*	
FAYETTE	*A104*		*BELL SCHOOL HOUSE*	*003700*	*1012*	

FAYETTE	A104	BELL SCHOOL HOUSE	003700	1013	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1014	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1016	0203
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1017	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1018	0102
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1019	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1020	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1021	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1022	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	1023	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2008	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2009	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2010	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2011	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2019	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2020	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2023	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2024	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2025	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2026	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2027	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2028	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2029	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	2034	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3000	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3001	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3044	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3045	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3046	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3047	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3048	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3049	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3050	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3051	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3052	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3053	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3054	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3055	
FAYETTE	A104	BELL SCHOOL HOUSE	003700	3056	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3007	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3008	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3009	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3010	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3011	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3012	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3013	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3014	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3015	
FAYETTE	A104	BELL SCHOOL HOUSE	003802	3016	

FAYETTE	A104		BELL SCHOOL HOUSE	003802	4012	
FAYETTE	A104		BELL SCHOOL HOUSE	003802	4013	
FAYETTE	A108		DONERAIL	003700	1008	
FAYETTE	A108		DONERAIL	003700	1009	
FAYETTE	A108		DONERAIL	003700	1010	
FAYETTE	A108		DONERAIL	003700	1011	
FAYETTE	A108		DONERAIL	003802	3006	
FAYETTE	A108		DONERAIL	003802	4000	
FAYETTE	A108		DONERAIL	003802	4001	
FAYETTE	A108		DONERAIL	003802	4002	
FAYETTE	A108		DONERAIL	003802	4003	
FAYETTE	A108		DONERAIL	003802	4004	
FAYETTE	A108		DONERAIL	003802	4005	
FAYETTE	A108		DONERAIL	003802	4006	
FAYETTE	A108		DONERAIL	003802	4007	
FAYETTE	A108		DONERAIL	003802	4008	
FAYETTE	A108		DONERAIL	003802	4009	
FAYETTE	A108		DONERAIL	003802	4010	
FAYETTE	A108		DONERAIL	003802	4011	
FAYETTE	A118		HOLIDAY HILLS			
FAYETTE	A162		VILLAGE			
FAYETTE	A175		HORSE PARK			
FAYETTE	A178		CAYWOOD			
FAYETTE	A183		SILVER CREEK	003700	2000	
FAYETTE	A183		SILVER CREEK	003700	2001	
FAYETTE	A183		SILVER CREEK	003700	2002	
FAYETTE	A183		SILVER CREEK	003700	2003	
FAYETTE	A183		SILVER CREEK	003700	2004	
FAYETTE	A183		SILVER CREEK	003700	2005	
FAYETTE	A183		SILVER CREEK	003700	2006	
FAYETTE	A183		SILVER CREEK	003700	2007	
FAYETTE	A183		SILVER CREEK	003700	2012	
FAYETTE	A183		SILVER CREEK	003700	2013	
FAYETTE	A183		SILVER CREEK	003700	2014	
FAYETTE	A183		SILVER CREEK	003700	2015	
FAYETTE	A183		SILVER CREEK	003700	2016	
SCOTT						

SECTION 63. KRS 5.263 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-third Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KENTON	B102		CRESTVIEW #3			
KENTON	B103		CRESTVIEW #1			
KENTON	B104		CRESTVIEW #2			
KENTON	B106		EDGEWOOD #1			
KENTON	B108		EDGEWOOD #3			
KENTON	B109		EDGEWOOD #4			
KENTON	B110		EDGEWOOD #5			
KENTON	B111		EDGEWOOD #6			

KENTON	*B112*	*EDGEWOOD #7*
KENTON	*B113*	*FT. MITCHELL#1*
KENTON	*C101*	*CRESCENT SPRINGS #1*
KENTON	*C102*	*CRESCENT SPRINGS #2*
KENTON	*C116*	*FT. MITCHELL #2*
KENTON	*C117*	*FT. MITCHELL #3*
KENTON	*C118*	*FT. MITCHELL #4*
KENTON	*C119*	*FT. MITCHELL #5*
KENTON	*C120*	*FT. MITCHELL #6*
KENTON	*C121*	*FT. MITCHELL #7*
KENTON	*C122*	*FT. WRIGHT #1*
KENTON	*C123*	*FT. WRIGHT #2*
KENTON	*C124*	*FT. WRIGHT #3*
KENTON	*C125*	*FT. WRIGHT #4*
KENTON	*C126*	*FT WRIGHT #5*
KENTON	*C127*	*LAKESIDE #1*
KENTON	*C128*	*LAKESIDE #2*
KENTON	*C129*	*LAKESIDE #3*
KENTON	*C130*	*PARK HILLS #1*
KENTON	*C133*	*VILLA HILLS #1*
KENTON	*C134*	*VILLA HILLS #2*
KENTON	*C135*	*VILLA HILLS #3*
KENTON	*C136*	*VILLA HILLS # 4*
KENTON	*C137*	*CRESCENT SPRINGS #3*
KENTON	*C138*	*VILLA HILLS #5*

SECTION 64. KRS 5.264 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
KENTON	*A114*		*COVINGTON #25*			
KENTON	*A115*		*COVINGTON #26*			
KENTON	*A116*		*COVINGTON #27*			
KENTON	*A117*		*COVINGTON # 30*			
KENTON	*A130*		*WINSTON PARK*			
KENTON	*B105*		*DECOURSEY*			
KENTON	*B107*		*EDGEWOOD #2*			
KENTON	*B114*		*HANDS PIKE*			
KENTON	*B115*		*INDEPENDENCE #1*			
KENTON	*B116*		*INDEPENDENCE #2*			
KENTON	*B118*		*INDEPENDENCE #4*			
KENTON	*B121*		*NICHOLSON #2*			
KENTON	*B122*		*OAKRIDGE*			
KENTON	*B126*		*TAYLOR MILL #1*			
KENTON	*B127*		*TAYLOR MILL #2*			
KENTON	*B128*		*TAYLOR MILL #3*			
KENTON	*B129*		*VISALIA*			
KENTON	*B130*		*WHITES TOWER*			
KENTON	*B131*		*INDEPENDENCE #5*			
KENTON	*B132*		*INDEPENDENCE #6*			

KENTON	B133		INDEPENDENCE #7			
KENTON	B136		INDEPENDENCE #9			
KENTON	B137		INDEPENDENCE #10			

SECTION 65. KRS 5.265 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-fifth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KENTON	A101		COVINGTON # 1			
KENTON	A102		COVINGTON #3			
KENTON	A103		COVINGTON #7			
KENTON	A104		COVINGTON #10			
KENTON	A105		COVINGTON #11			
KENTON	A106		COVINGTON #12			
KENTON	A107		COVINGTON #13			
KENTON	A108		COVINGTON #15			
KENTON	A109		COVINGTON #19			
KENTON	A110		COVINGTON #20			
KENTON	A111		COVINGTON #21			
KENTON	A112		COVINGTON #23			
KENTON	A113		COVINGTON #24			
KENTON	A118		COVINGTON # 31			
KENTON	A119		COVINGTON #33			
KENTON	A120		COVINGTON #34			
KENTON	A121		COVINGTON #36			
KENTON	A122		COVINGTON #39			
KENTON	A123		COVINGTON #41			
KENTON	A124		COVINGTON #42			
KENTON	A125		BROMLEY			
KENTON	A126		LUDLOW #1			
KENTON	A127		LUDLOW #2			
KENTON	A128		LUDLOW #3			
KENTON	A129		LUDLOW #4			
KENTON	C131		PARK HILLS #2			
KENTON	C132		PARK HILLS #3			
KENTON	X001		X001			

SECTION 66. KRS 5.266 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOONE	A101		AIRPORT			
BOONE	A103		BULLITTSVILLE			
BOONE	A107		CONSTANCE			
BOONE	A108		HEBRON #1			
BOONE	A109		HEBRON #2			
BOONE	A111		BURLINGTON #3			
BOONE	A113		BURLINGTON #5			
BOONE	A114		HEBRON #3			
BOONE	A115		BURLINGTON #6			
BOONE	A116		BURLINGTON #7			

BOONE	*A117*		*HEBRON #4*
BOONE	*B101*		*FLORENCE #1*
BOONE	*B102*		*FLORENCE #2*
BOONE	*B103*		*FLORENCE #3*
BOONE	*B104*		*FLORENCE #4*
BOONE	*B105*		*FLORENCE #5*
BOONE	*B106*		*FLORENCE #6*
BOONE	*B107*		*FLORENCE #7*
BOONE	*B109*		*FLORENCE # 9*
BOONE	*B112*		*FLORENCE #12*
BOONE	*C103*	*0102*	*GREENVIEW*
BOONE	*C103*	*0202*	*GREENVIEW*
BOONE	*C111*		*OAKBROOK*
BOONE	*C113*		*LIMABURG*
BOONE	*C114*		*LINKVIEW*
BOONE	*C118*		*HOPEFUL*
BOONE	*C122*		*GLENVIEW*

SECTION 67. KRS 5.267 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-seventh Representative District shall consist of the following territory:

					—CENSUS—	
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CAMPBELL	*A604*		*HIGHLAND HTS D*			
CAMPBELL	*A605*		*HIGHLAND HTS E*			
CAMPBELL	*A909*		*JOHNS HILL*			
CAMPBELL	*A913*		*WILDER*			
CAMPBELL	*B101*		*DAYTON A*			
CAMPBELL	*B102*		*DAYTON B*			
CAMPBELL	*B103*		*DAYTON C*			
CAMPBELL	*B201*		*BELLEVUE A*			
CAMPBELL	*B202*		*BELLEVUE B*			
CAMPBELL	*B203*		*BELLEVUE C*			
CAMPBELL	*B204*		*BELLEVUE D*			
CAMPBELL	*C301*		*NEWPORT A*			
CAMPBELL	*C302*		*NEWPORT B*			
CAMPBELL	*C303*		*NEWPORT C*			
CAMPBELL	*C304*		*NEWPORT D*			
CAMPBELL	*C305*		*NEWPORT E*			
CAMPBELL	*C306*		*NEWPORT F*			
CAMPBELL	*C307*		*NEWPORT G*			
CAMPBELL	*C308*		*NEWPORT H*			
CAMPBELL	*C309*		*NEWPORT I*			
CAMPBELL	*C310*		*NEWPORT J*			
CAMPBELL	*C311*		*NEWPORT K*			
CAMPBELL	*C312*		*NEWPORT L*			
CAMPBELL	*C501*		*SOUTHGATE A*			
CAMPBELL	*C502*		*SOUTHGATE B*			
CAMPBELL	*C503*		*SOUTHGATE C*			
CAMPBELL	*C504*		*SOUTHGATE D*			

SECTION 68. KRS 5.268 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-eighth Representative District shall consist of the following territory:

COUNTY	PREC	SEC	NAME	---CENSUS--- TRACT	BLCK	SECT
CAMPBELL	A603		HIGHLAND HTS C			
CAMPBELL	A701		COLD SPRING A			
CAMPBELL	A702		COLD SPRING B			
CAMPBELL	A703		COLD SPRING C			
CAMPBELL	A801		ALEXANDRIA A			
CAMPBELL	A802		ALEXANDRIA B			
CAMPBELL	A803		ALEXANDRIA C			
CAMPBELL	A804		ALEXANDRIA D			
CAMPBELL	A805		ALEXANDRIA E			
CAMPBELL	A806		ALEXANDRIA F			
CAMPBELL	A807		ALEXANDRIA G			
CAMPBELL	A906		CAMP SPRINGS			
CAMPBELL	A910		MELBOURNE			
CAMPBELL	A911		POOLES CREEK			
CAMPBELL	A912		SILVER GROVE			
CAMPBELL	B401		FT THOMAS A			
CAMPBELL	B402		FT THOMAS B			
CAMPBELL	B403		FT THOMAS C			
CAMPBELL	B405		FT THOMAS E			
CAMPBELL	B406		FT THOMAS F			
CAMPBELL	B408		FT THOMAS H			
CAMPBELL	B409		FT THOMAS K			
CAMPBELL	B410		FT THOMAS L			
CAMPBELL	B411		FT THOMAS M			
CAMPBELL	B412		FT THOMAS N			
CAMPBELL	B414		FT THOMAS P			
CAMPBELL	B601		HIGHLAND HTS A			
CAMPBELL	B602		HIGHLAND HTS B			
CAMPBELL	B916		BRENT			
CAMPBELL	C415		FT THOMAS I			
CAMPBELL	C416		FT THOMAS J			
CAMPBELL	C418		FT THOMAS R			
CAMPBELL	C419		FT THOMAS S			

SECTION 69. KRS 5.269 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-ninth Representative District shall consist of the following territory:

COUNTY	PREC	SEC	NAME	---CENSUS--- TRACT	BLCK	SECT
BOONE	C112		RICHWOOD			
BOONE	C120		KENSINGTON			
CAMPBELL	A904		GRANTS LICK			
CAMPBELL	A905		CLARYVILLE			
KENTON	B101		BRACHT			
KENTON	B117		INDEPENDENCE #3			
KENTON	B119		MORNINGVIEW			
KENTON	B120		NICHOLSON #1			
KENTON	B123		PINER			

KENTON	B124	RICHARDSON #1
KENTON	B125	RICHARDSON #2
KENTON	B134	INDEPENDENCE # 8
KENTON	B135	RICHARDSON #3
KENTON	C103	ELSMERE #1
KENTON	C104	ELSMERE #2
KENTON	C105	ELSMERE #3
KENTON	C106	ELSMERE #4
KENTON	C107	ERLANGER #1
KENTON	C108	ERLANGER #2
KENTON	C109	ERLANGER #3
KENTON	C110	ERLANGER #4
KENTON	C111	ERLANGER #5
KENTON	C112	ERLANGER #6
KENTON	C113	ERLANGER #7
KENTON	C114	ERLANGER #8
KENTON	C115	ERLANGER #9
KENTON	C139	ELSMERE#5

SECTION 70. KRS 5.270 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventieth Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BRACKEN						
FLEMING						
MASON						

SECTION 71. KRS 5.271 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-first Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
MENIFEE						
MORGAN						
ROWAN	A102		BRUSHY			
ROWAN	A106		PINE HILL			
ROWAN	B102		UPPER FARMERS			
ROWAN	B103		WEST MOREHEAD			
ROWAN	B104		THOMAS ADDITION			
ROWAN	B105		BLUE STONE			
ROWAN	B106		LOWER FARMERS			
ROWAN	C102		CLEARFIELD			
ROWAN	C103		CITY HALL			
ROWAN	C104		DRY CREEK			
ROWAN	D102		EADSTON			
ROWAN	D103		PINE GROVE			
WOLFE	A101		LEE CITY-1			
WOLFE	A105		HAZEL GREEN #2			
WOLFE	B102		STILLWATER-6			

SECTION 72. KRS 5.272 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-second Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BATH						
BOURBON						
FAYETTE	*A108*		*DONERAIL*	*003802*	*1003*	*0102*
FAYETTE	*A108*		*DONERAIL*	*003802*	*1004*	*0202*
FAYETTE	*A108*		*DONERAIL*	*003802*	*1009*	*0202*
FAYETTE	*A108*		*DONERAIL*	*003802*	*1010*	*0202*
FAYETTE	*A108*		*DONERAIL*	*003802*	*1011*	
FAYETTE	*A108*		*DONERAIL*	*003802*	*3000*	*0202*
FAYETTE	*A108*		*DONERAIL*	*003802*	*3001*	
FAYETTE	*A108*		*DONERAIL*	*003802*	*3002*	
FAYETTE	*A108*		*DONERAIL*	*003802*	*3003*	*0202*
FAYETTE	*A108*		*DONERAIL*	*003802*	*3017*	*0202*
FAYETTE	*A108*		*DONERAIL*	*003802*	*3018*	*0202*
FAYETTE	*A108*		*DONERAIL*	*003802*	*5001*	*0202*
FAYETTE	*C154*		*MAN O WAR*			
FAYETTE	*C159*		*SHANDON PARK*			
NICHOLAS						

SECTION 73. KRS 5.273 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-third Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CLARK						
MADISON	*B105*		*NORTH CHENAULT*			
MADISON	*B106*		*N WHITE HALL-DANIEL BOONE*			
MADISON	*B110*		*FOREST HILL #30*			
MADISON	*B118*		*S WHITE HALL-DANIEL-BOONE*			
MADISON	*C105*		*RED HOUSE*			

SECTION 74. KRS 5.274 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
MONTGOMERY						
POWELL						
WOLFE	*B101*		*HOLLY-5*			
WOLFE	*B106*		*CAMPTON #8*			
WOLFE	*C101*		*CAMPTON-3*			
WOLFE	*C102*		*ROGERS*			
WOLFE	*C104*		*CAMPTON #7*			

SECTION 75. KRS 5.275 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-fifth Representative District shall consist of the following territory:

				—CENSUS—		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
FAYETTE	*A114*		*GIBSON PARK*			
FAYETTE	*A117*		*HAMPTON COURT*			
FAYETTE	*A132*		*PINE MEADOWS*			

FAYETTE	A133		PRESTON INN			
FAYETTE	A136		SKYCREST			
FAYETTE	A146		TRIANGLE PARK			
FAYETTE	A156		PERSHING			
FAYETTE	A163		FAIRGROUNDS			
FAYETTE	A173		IMPERIAL			
FAYETTE	A177		PHOENIX PARK			
FAYETTE	A181		HEADLEY GREEN			
FAYETTE	B102		BARKLEY			
FAYETTE	B113		GOODRICH			
FAYETTE	B114		HILL-N-DALE			
FAYETTE	B118		LAFAYETTE			
FAYETTE	B132		PICADOME			
FAYETTE	B135		SEVEN PARKS			
FAYETTE	B137		SHADELAND			
FAYETTE	B138		SHADY LANE			
FAYETTE	B144		TOWERS			
FAYETTE	B147		ZANDALE			
FAYETTE	B182		MONTCLAIR			
FAYETTE	C103		ASHLAND AVENUE			
FAYETTE	C105		AYLESFORD			
FAYETTE	C110		BUNKER			
FAYETTE	C115		CLIFTON			
FAYETTE	C122		ELLERSLIE			
FAYETTE	C128		HOLLYWOOD			
FAYETTE	C131		LAWRENCE			
FAYETTE	C134		MT. VERNON	000700	2004	
FAYETTE	C134		MT. VERNON	000700	2005	
FAYETTE	C134		MT. VERNON	000700	2006	
FAYETTE	C134		MT. VERNON	000700	2007	
FAYETTE	C134		MT. VERNON	000700	2008	
FAYETTE	C134		MT. VERNON	000700	2009	
FAYETTE	C134		MT. VERNON	000700	2010	
FAYETTE	C134		MT. VERNON	000700	2011	
FAYETTE	C134		MT. VERNON	000700	2012	
FAYETTE	C134		MT. VERNON	000700	2013	
FAYETTE	C134		MT. VERNON	000700	2014	
FAYETTE	C134		MT. VERNON	000700	2015	
FAYETTE	C134		MT. VERNON	000700	2016	
FAYETTE	C134		MT. VERNON	000700	2017	
FAYETTE	C142		WOODLAND			

SECTION 76. KRS 5.276 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A168		BLUE ACRES			
FAYETTE	A169		CASTLEWOOD			
FAYETTE	A170		MEADOW LANE			
FAYETTE	A171		NORTHERN			

FAYETTE	*A174*	*ARLINGTON*	*001400*	*1000*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1001*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1002*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1003*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1004*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1005*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1006*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1007*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*1008*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2000*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2001*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2002*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2003*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2004*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2005*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2006*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2007*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2008*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2009*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2010*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2011*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2012*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*2013*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*3001*
FAYETTE	*A174*	*ARLINGTON*	*001400*	*3002*
FAYETTE	*B139*	*SHRINE*		
FAYETTE	*B151*	*BLAIRMORE*		
FAYETTE	*C109*	*BRYAN STATION*		
FAYETTE	*C113*	*CHEVY CHASE*		
FAYETTE	*C117*	*CRAWFORD*		
FAYETTE	*C118*	*DEEP SPRINGS*		
FAYETTE	*C119*	*DIXIE*		
FAYETTE	*C120*	*DUKE*		
FAYETTE	*C124*	*FONTAINE*		
FAYETTE	*C125*	*HELM*		
FAYETTE	*C126*	*KINGSWOOD*		
FAYETTE	*C127*	*HERMITAGE*		
FAYETTE	*C129*	*IDLE HOUR*		
FAYETTE	*C130*	*JULIA R EWAN*		
FAYETTE	*C134*	*MT. VERNON*	*000600*	*2015*
FAYETTE	*C137*	*ROOKWOOD*		
FAYETTE	*C138*	*VICTORY*		
FAYETTE	*C140*	*WALTON*		
FAYETTE	*C143*	*WOODSPOINT*		
FAYETTE	*C144*	*ALSAB*		
FAYETTE	*C145*	*AUGUSTA*		
FAYETTE	*C153*	*KINGSTON*		
FAYETTE	*C155*	*MARY TODD*		
FAYETTE	*C157*	*RICHMOND RD.*		

FAYETTE	C163	GREENBRIER	003904	4010
FAYETTE	C163	GREENBRIER	003904	4011
FAYETTE	C167	RIO DOSA		
FAYETTE	C170	BRECKINRIDGE		
FAYETTE	C181	EASTWOOD		
FAYETTE	C185	N ELKHORN		
FAYETTE	C187	CHILESBURG	003904	2005
FAYETTE	C187	CHILESBURG	003904	2006
FAYETTE	C187	CHILESBURG	003904	2007
FAYETTE	C187	CHILESBURG	003904	2008
FAYETTE	C187	CHILESBURG	003904	2009
FAYETTE	C187	CHILESBURG	003904	2010
FAYETTE	C187	CHILESBURG	003904	2011
FAYETTE	C187	CHILESBURG	003904	2012
FAYETTE	C189	SADDLEBROOK		
FAYETTE	C192	CHETFORD		
FAYETTE	C193	SHEFFIELD PLACE		
FAYETTE	C194	CHESTNUT HILL		
FAYETTE	C195	LIBERTY STATION		
FAYETTE	C196	MAPLELEAF		

SECTION 77. KRS 5.277 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-seventh Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A102		BARKER			
FAYETTE	A104		BELL SCHOOL HOUSE	003700	3029	0102
FAYETTE	A104		BELL SCHOOL HOUSE	003700	3042	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	3043	
FAYETTE	A106		CARDINAL VALLEY			
FAYETTE	A109		DOUGLAS-WASHINGTON			
FAYETTE	A111		FAIRLAWN			
FAYETTE	A115		GREEN ACRES			
FAYETTE	A116		TRAILSIDE			
FAYETTE	A120		JULIUS MARKS			
FAYETTE	A126		MARLBORO			
FAYETTE	A128		MEADOWTHORPE			
FAYETTE	A130		OAKWOOD			
FAYETTE	A131		OXFORD			
FAYETTE	A134		RADCLIFFE			
FAYETTE	A135		ST. MARTINS			
FAYETTE	A140		VERSAILLES RD			
FAYETTE	A143		WEST MAIN			
FAYETTE	A144		WINBURN			
FAYETTE	A148		ALABAMA			
FAYETTE	A149		ASPENDALE-BLUEGRASS			
FAYETTE	A150		CAMPSIE			
FAYETTE	A152		HIGHLANDS			
FAYETTE	A155		OHIO-WALNUT			
FAYETTE	A160		MANSION			

FAYETTE	A161		COOLAVIN			
FAYETTE	A164		HOLLOW CREEK			
FAYETTE	A165		GRIFFIN GATE			
FAYETTE	A172		WARFIELD PLACE			
FAYETTE	A174		ARLINGTON	001300	2001	
FAYETTE	A174		ARLINGTON	001400	3003	
FAYETTE	A174		ARLINGTON	001400	3004	
FAYETTE	A174		ARLINGTON	001400	3005	
FAYETTE	A174		ARLINGTON	001400	3006	
FAYETTE	A179		VALLEY FARM			
FAYETTE	A183		SILVER CREEK	003700	2017	
FAYETTE	A183		SILVER CREEK	003700	2018	
FAYETTE	A183		SILVER CREEK	003700	3003	0103
FAYETTE	A183		SILVER CREEK	003700	3003	0303
FAYETTE	A183		SILVER CREEK	003700	3010	0102
FAYETTE	A183		SILVER CREEK	003700	3011	0102
FAYETTE	A183		SILVER CREEK	003700	3012	0102
FAYETTE	A183		SILVER CREEK	003700	3014	0202
FAYETTE	A183		SILVER CREEK	003700	3015	
FAYETTE	A183		SILVER CREEK	003700	3016	
FAYETTE	A183		SILVER CREEK	003700	3017	
FAYETTE	A183		SILVER CREEK	003700	3018	
FAYETTE	A183		SILVER CREEK	003700	3019	
FAYETTE	A183		SILVER CREEK	003700	3020	0102
FAYETTE	A183		SILVER CREEK	003700	3021	0103
FAYETTE	A183		SILVER CREEK	003700	3021	0303
FAYETTE	A183		SILVER CREEK	003700	3022	0102
FAYETTE	A183		SILVER CREEK	003700	3023	
FAYETTE	A183		SILVER CREEK	003700	3025	0102
FAYETTE	A183		SILVER CREEK	003700	3029	0202
FAYETTE	A183		SILVER CREEK	003700	3030	
FAYETTE	A183		SILVER CREEK	003700	3031	
FAYETTE	A183		SILVER CREEK	003700	3032	
FAYETTE	A183		SILVER CREEK	003700	3037	
FAYETTE	C121		EASTLAND			
FAYETTE	C132		LIBERTY HEIGHTS			
FAYETTE	C148		DELAWARE			
FAYETTE	C169		TRADE CENTER			
FAYETTE	X001		X001			

SECTION 78. KRS 5.278 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CAMPBELL	A901		MENTOR			
CAMPBELL	A902		CALIFORNIA			
CAMPBELL	A903		SUN VALLEY			
CAMPBELL	A907		ROSS			

HARRISON
PENDLETON
ROBERTSON

SECTION 79. KRS 5.279 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-ninth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
FAYETTE	***B105***		***BROOKHAVEN***			
FAYETTE	***B108***		***DEERFIELD***			
FAYETTE	***B112***		***GLENDOVER***			
FAYETTE	***B119***		***LAKETOWER***			
FAYETTE	***B120***		***LANSDOWNE***			
FAYETTE	***B121***		***LEAWOOD***			
FAYETTE	***B123***		***ECTON PARK***			
FAYETTE	***B125***		***MALABU***			
FAYETTE	***B127***		***MERRICK***			
FAYETTE	***B128***		***CHINOE***			
FAYETTE	***B133***		***CEDAR RUN***			
FAYETTE	***B140***		***SOUTHEASTERN HILLS***			
FAYETTE	***B143***		***TATES CREEK***			
FAYETTE	***B152***		***EDGEWATER***			
FAYETTE	***B155***		***ASCOT***			
FAYETTE	***B157***		***KIRKLEVINGTON***			
FAYETTE	***B165***		***OAKS***			
FAYETTE	***B166***		***LAKEVIEW***			
FAYETTE	***B167***		***GRAY HAWK***			
FAYETTE	***B168***		***MONTAVESTA***			
FAYETTE	***B169***		***MT. RAINIER***			
FAYETTE	***B174***		***WHISPERING HILLS***			
FAYETTE	***B181***		***TABORLAKE***			
FAYETTE	***B188***		***CASTLEGATE***			
FAYETTE	***B189***		***KITTIWAKE***			
FAYETTE	***B190***		***LAREDO***			
FAYETTE	***B195***		***WALDEN GROVE***			
FAYETTE	***C102***		***BARREN RIVER***			
FAYETTE	***C150***		***WINTER GARDEN***			
FAYETTE	***C151***		***COVE LAKE***			
FAYETTE	***C156***		***PATCHEN VILLAGE***			
FAYETTE	***C162***		***NIAGARA***			
FAYETTE	***C164***		***EAST HILLS***			
FAYETTE	***C171***		***GROVES POINT***			
FAYETTE	***C183***		***MILLCREEK***			
FAYETTE	***C184***		***MT FORAKER***			
FAYETTE	***C188***		***STEPHEN FOSTER***			
FAYETTE	***C191***		***PLAINVIEW***			

SECTION 80. KRS 5.280 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eightieth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
LINCOLN						
PULASKI	C104		ESTESBURG # 26			
PULASKI	C106		GOODHOPE # 28			
PULASKI	D105		CATRON # 31			
ROCKCASTLE						

SECTION 81. KRS 5.281 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-first Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
MADISON	A102		EAST BEREA			
MADISON	A103		GAY-STEPHENS			
MADISON	A104		NORTH BEREA	011200	1033	0102
MADISON	A104		NORTH BEREA	011200	1038	
MADISON	A108	0103	MENALES-TODD			
MADISON	B101		WATER TOWER			
MADISON	B102		NORTH RICHMOND-ARLINGTON			
MADISON	B103		BRECK			
MADISON	B104		ROSEDALE			
MADISON	B109		NORTH CRUTCHER			
MADISON	B113		WEST RICHMOND #34			
MADISON	B114		COLLEGE			
MADISON	B115		GREENWAY			
MADISON	B116	0102	DEACON HILLS #38			
MADISON	B116	0202	DEACON HILLS #38			
MADISON	B117		SOUTH CHENAULT			
MADISON	B119		NORTH RICHMOND-KEENELAND			
MADISON	B120		NORTH RICHMOND-SARATOGA			
MADISON	B121		SOUTH CRUTCHER			
MADISON	B122		KILLARNEY			
MADISON	C101		COURT HOUSE			
MADISON	C102		CITY HALL			
MADISON	C103		FRANCIS			
MADISON	C104		DILLINGHAM			
MADISON	C106		MCCREARY			
MADISON	C107	0103	KAVANAUGH			
MADISON	C107	0203	KAVANAUGH			
MADISON	C110		EAST RICHMOND			
MADISON	C111		MOBERLY			
MADISON	C112	0104	CENTRAL NO 37			
MADISON	C112	0204	CENTRAL NO 37			
MADISON	C112	0304	CENTRAL NO 37			
MADISON	C112	0404	CENTRAL NO 37			
MADISON	D101		EASTERN			
MADISON	D102		CAMPUS			
MADISON	D103		TELFORD			

MADISON	*D107*	*0106*	*DUNCANNON*			
MADISON	*D107*	*0206*	*DUNCANNON*			
MADISON	*D107*	*0406*	*DUNCANNON*			
MADISON	*D107*	*0606*	*DUNCANNON*			
MADISON	*D108*	*0202*	*SOUTH RICHMOND #6B*			

SECTION 82. KRS 5.282 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-second Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
LAUREL	*B106*		*SPRING CUT*			
LAUREL	*F104*		*LEVEL GREEN*			
LAUREL	*F105*		*KEAVY*			
LAUREL	*F107*		*SOUTH LAUREL*			
WHITLEY						

SECTION 83. KRS 5.283 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-third Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CLINTON						
PULASKI	*A101*		*SOMERSET 5 B*			
PULASKI	*A102*		*SALINE # 11*			
PULASKI	*A103*		*NANCY # 15*			
PULASKI	*A104*		*HARRISON # 17*			
PULASKI	*A106*		*NAOMI # 44*			
PULASKI	*A108*		*SALINE #2*			
PULASKI	*B101*		*GIRDLER # 12*			
PULASKI	*B102*		*HICKORY NUT # 19*			
PULASKI	*D101*		*SOMERSET # 7*			
PULASKI	*E101*		*SOMERSET # 6*			
PULASKI	*E105*		*BOURBON WEST 10 W*			
PULASKI	*F101*		*SOMERSET 1*			
PULASKI	*F102*		*SOMERSET 2*			
PULASKI	*F103*		*SOMERSET 3B*			
RUSSELL						

SECTION 84. KRS 5.284 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-fourth Representative District shall consist of the following territory:

					---CENSUS---	
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
HARLAN	*A101*		*COURT HOUSE*			
HARLAN	*A103*		*FAIRVIEW*			
HARLAN	*A104*		*SHOP*			
HARLAN	*A107*		*CLOVERTOWN*			
HARLAN	*A108*		*OLD BAXTER*			
HARLAN	*A109*		*NEW BAXTER*			
HARLAN	*A110*		*PUTNEY*			
HARLAN	*A111*		*PINE MOUNTAIN*			
HARLAN	*A113*		*COXTON*			
HARLAN	*B102*		*AGES*			
HARLAN	*B104*		*N EVARTS*			

HARLAN	C101		TOTZ			
HARLAN	D101		ELCOMB			
HARLAN	D102		PANSY			
HARLAN	D103		SUNSHINE			
HARLAN	E102		LOYALL-SCHOOL			
HARLAN	E103		RIO VISTA			
PERRY						

SECTION 85. KRS 5.285 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-fifth Representative District shall consist of the following territory:

					—CENSUS—	
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
LAUREL	B105		FARISTON #2			
LAUREL	D101		EAST BERNSTADT #1			
LAUREL	E102		LIBERTY			
LAUREL	E103		COLONY			
LAUREL	E105		HART			
LAUREL	F101		CAMPBELL			
LAUREL	F102		COLD HILL			
LAUREL	F103		INDEPENDENCE			
LAUREL	F106		ROCKHOUSE			
PULASKI	B104		SCIENCE HILL #22			
PULASKI	B105		SCIENCE HILL #23			
PULASKI	B107		VAUGHT # 43			
PULASKI	C101		SOMERSET 3 A			
PULASKI	C102		CANEY FORK # 13			
PULASKI	C105		PRICE # 27			
PULASKI	C107		GILLILAND #40			
PULASKI	D102		RUSH BRANCH # 14			
PULASKI	D103		HAZELDELL # 29			
PULASKI	D104		MARK # 30			
PULASKI	D106		MAYFIELD # 32			
PULASKI	D107		MT. VICTORY # 33			
PULASKI	D109		COLO # 35			
PULASKI	D110		DALLAS # 45			
PULASKI	E102		FERGUSON # 8			
PULASKI	E103		PARKER # 9			
PULASKI	E104		BOURBON EAST 10 E			
PULASKI	F104		SOMERSET 4 A			
PULASKI	F105		SOMERSET 4B			
PULASKI	F106		SOMERSET 5A			
PULASKI	G101		BURNSIDE # 36			
PULASKI	G103		GAMBLIN # 37			
PULASKI	G104		BRONSTON # 38			
PULASKI	G105		SLOANS VALLEY # 39			

SECTION 86. KRS 5.286 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-sixth Representative District shall consist of the following territory:

					—CENSUS—	
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KNOX						

LAUREL	*A102*		*CAMPGROUND*			
LAUREL	*A104*		*ROUGH CREEK*			
LAUREL	*A105*		*STANSBERRY*			
LAUREL	*B102*		*LILY*			
LAUREL	*B103*		*FELTS*			
LAUREL	*B104*		*MCHARGUE*			
LAUREL	*C101*		*BLACKWATER*			

SECTION 87. KRS 5.287 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-seventh Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BELL						
HARLAN	*B103*		*VERDA*			
HARLAN	*B105*		*S EVARTS*			
HARLAN	*B106*		*BRITTAINS CREEK*			
HARLAN	*B107*		*SHIELDS*			
HARLAN	*B108*		*CLOSPLINT*			
HARLAN	*B109*		*KLONDYKE*			
HARLAN	*C102*		*GREEN MORRIS*			
HARLAN	*C107*		*CUMBERLAND NEW YORK*			
HARLAN	*C111*		*LYNCH E MAIN*			
HARLAN	*D104*		*GRAYS KNOB*			
HARLAN	*D106*		*CAWOOD*			
HARLAN	*D107*		*HIRAM*			
HARLAN	*D108*		*SMITH*			
HARLAN	*D109*		*CRANKS*			
HARLAN	*E108*		*PATHFORK*			

SECTION 88. KRS 5.288 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
FAYETTE	*B103*		*SAYRE VILLAGE*			
FAYETTE	*B110*		*FAIRWAY*			
FAYETTE	*B111*		*GAINESWAY*			
FAYETTE	*B158*		*PARK HILLS*			
FAYETTE	*B173*		*CUMBERLAND*			
FAYETTE	*B179*		*FAIRHAVEN*			
FAYETTE	*B196*		*SPRINGHOUSE*			
FAYETTE	*B197*		*AQUEDUCT*			
FAYETTE	*B198*		*BRIDGEMONT*			
FAYETTE	*B202*		*PINNACLE*			
FAYETTE	*C114*		*AUTUMN RIDGE*			
FAYETTE	*C152*		*HARTLAND*			
FAYETTE	*C160*		*WALNUT HILL*			
FAYETTE	*C161*		*TATESBROOK*			
FAYETTE	*C163*		*GREENBRIER*	*003904*	*4012*	
FAYETTE	*C163*		*GREENBRIER*	*003904*	*4013*	
FAYETTE	*C163*		*GREENBRIER*	*003904*	*4014*	
FAYETTE	*C163*		*GREENBRIER*	*003904*	*4015*	

FAYETTE	C163	GREENBRIER	003904	4016
FAYETTE	C163	GREENBRIER	003904	4017
FAYETTE	C163	GREENBRIER	003904	4018
FAYETTE	C163	GREENBRIER	003904	4019
FAYETTE	C163	GREENBRIER	003904	4020
FAYETTE	C163	GREENBRIER	003904	4021
FAYETTE	C163	GREENBRIER	003904	4022
FAYETTE	C163	GREENBRIER	003904	4023
FAYETTE	C163	GREENBRIER	003904	4024
FAYETTE	C163	GREENBRIER	003904	4025
FAYETTE	C163	GREENBRIER	003904	4026
FAYETTE	C165	CRESTVIEW		
FAYETTE	C166	TANBARK		
FAYETTE	C172	ATHENS		
FAYETTE	C173	BUCKHORN		
FAYETTE	C174	CENTURY HILLS		
FAYETTE	C175	EAST LAKE		
FAYETTE	C176	SQUIRE OAK		
FAYETTE	C177	SUMMERHILL		
FAYETTE	C178	PLEASANT GROVE		
FAYETTE	C179	BRANDYWINE		
FAYETTE	C180	BROADMOOR		
FAYETTE	C182	KENESAW VILLAGE		
FAYETTE	C186	OLD FARM		
FAYETTE	C187	CHILESBURG	003904	3000
FAYETTE	C187	CHILESBURG	003904	3001
FAYETTE	C187	CHILESBURG	003904	3002
FAYETTE	C187	CHILESBURG	003904	3003
FAYETTE	C187	CHILESBURG	003904	3004
FAYETTE	C187	CHILESBURG	003904	3007
FAYETTE	C187	CHILESBURG	003904	3008
FAYETTE	C187	CHILESBURG	003904	3009
FAYETTE	C187	CHILESBURG	003904	3010
FAYETTE	C187	CHILESBURG	003904	3012
FAYETTE	C187	CHILESBURG	003904	3013
FAYETTE	C187	CHILESBURG	003904	3014
FAYETTE	C187	CHILESBURG	003904	3015
FAYETTE	C187	CHILESBURG	003904	3016
FAYETTE	C187	CHILESBURG	003904	3017
FAYETTE	C187	CHILESBURG	003904	3018
FAYETTE	C187	CHILESBURG	003904	3020
FAYETTE	C187	CHILESBURG	003904	4027
FAYETTE	C187	CHILESBURG	003904	4028
FAYETTE	C190	AMHERST		
FAYETTE	C197	MOORELAND		
FAYETTE	C198	MT. RUSHMORE		
FAYETTE	C199	WOODFIELD		
FAYETTE	C200	DEER CROSSING		
FAYETTE	C201	TIMBER CREEK		

FAYETTE	*C203*	*GINGERMILL*

SECTION 89. KRS 5.289 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-ninth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JACKSON						
LAUREL	A101		SUBLIMITY			
LAUREL	A103		LONDON #3			
LAUREL	A106		SUBLIMITY #2			
LAUREL	A107		LONDON EAST			
LAUREL	B101		FARISTON			
LAUREL	C102		BUSH			
LAUREL	C103		LAKE			
LAUREL	C104		LONDON #1			
LAUREL	C105		MAPLESVILLE			
LAUREL	C106		JOHNSON			
LAUREL	C108		MCWHORTER			
LAUREL	C109		LONDON #6			
LAUREL	C110		LONDON #2			
LAUREL	D102		EAST BERNSTADT #2			
LAUREL	D103		VIVA			
LAUREL	D104		OAKLEY			
LAUREL	D105		CROSS ROADS			
LAUREL	D106		PITTSBURG			
LAUREL	D107		LONDON #7			
LAUREL	E101		LONDON #5			
LAUREL	E104		LONDON #4			
OWSLEY						

SECTION 90. KRS 5.290 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninetieth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CLAY						
HARLAN	A112		BLEDSOE			
HARLAN	E104		FRESH MEADOWS			
HARLAN	E105		WALLINS-CITY HALL			
HARLAN	E106		WALLINS-SCHOOL			
HARLAN	E107		COLDIRON			
LESLIE						

SECTION 91. KRS 5.291 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-first Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BREATHITT						
ESTILL						
LEE						

SECTION 92. KRS 5.292 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-second Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KNOTT						
LETCHER	A103		COWAN	950600	7005	0202
LETCHER	A106		UZ, DRY FORK	950400	7002	0202
LETCHER	A106		UZ, DRY FORK	950400	7003	
LETCHER	A107		SANDLICK			
LETCHER	B101		ISOM			
LETCHER	B102		COLSON			
LETCHER	B103		BAKER (JACKSON-HEMPHILL)			
LETCHER	C106		MILLSTONE			
LETCHER	D102		BLACKEY			
LETCHER	D103		HALLIE			
LETCHER	D104		DALNA			
LETCHER	D105		SUGAR GROVE			
LETCHER	D106		ROXANA			
LETCHER	D107		DOTY			
MAGOFFIN						

SECTION 93. KRS 5.293 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-third Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
PIKE	A109		BRUSHY			
PIKE	B101		CANEY			
PIKE	C101		MOUTHCARD			
PIKE	C102		UPPER ELKHORN			
PIKE	C103		ELKHORN CITY HALL			
PIKE	C104		BELCHER			
PIKE	C105		RACCOON			
PIKE	C106		RASNICK			
PIKE	C107		LICK CREEK			
PIKE	C108		GRAPEVINE			
PIKE	C109		FEDS CREEK			
PIKE	C110		LOONEY			
PIKE	D101		MILLARD			
PIKE	D102		GREASY CREEK			
PIKE	D104		MARROWBONE			
PIKE	D105		ROCKHOUSE			
PIKE	D107		GARDEN VILLAGE			
PIKE	D108		HENRY CLAY			
PIKE	D109		HELLIER			
PIKE	D111		ASHCAMP			
PIKE	E101		PHELPS			
PIKE	E102		BLACKBERRY			
PIKE	E103		DESKINS			
PIKE	E104		FREEBURN			
PIKE	E105		MAJESTIC			

PIKE	*E106*	*WOLFORD*
PIKE	*E107*	*META*
PIKE	*F101*	*BELFRY*
PIKE	*F102*	*LOWER BIG CREEK*
PIKE	*F103*	*DR. J. E. JOHNSON*
PIKE	*F104*	*BEVINS SCHOOL*
PIKE	*F105*	*RUNYON*
PIKE	*F106*	*TURKEY CREEK*
PIKE	*F107*	*HUDDY*
PIKE	*F108*	*OLD POND*

SECTION 94. KRS 5.294 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-fourth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
HARLAN	*C103*		*CUMBERLAND CITY HALL*			
HARLAN	*C104*		*CUMBERLAND BLACK MOTOR*			
HARLAN	*C105*		*EAST CUMBERLAND*			
HARLAN	*C106*		*BLAIR*			
HARLAN	*C109*		*BENHAM*			
LETCHER	*A101*		*WEST WHITESBURG*			
LETCHER	*A102*		*EAST WHITESBURG*			
LETCHER	*A103*		*COWAN*	*950400*	*6027*	*0203*
LETCHER	*A103*		*COWAN*	*950400*	*7000*	
LETCHER	*A103*		*COWAN*	*950400*	*7001*	
LETCHER	*A103*		*COWAN*	*950400*	*7002*	*0102*
LETCHER	*A103*		*COWAN*	*950400*	*7005*	*0102*
LETCHER	*A103*		*COWAN*	*950400*	*7029*	
LETCHER	*A103*		*COWAN*	*950400*	*7030*	
LETCHER	*A103*		*COWAN*	*950400*	*7031*	
LETCHER	*A103*		*COWAN*	*950400*	*7032*	
LETCHER	*A103*		*COWAN*	*950400*	*7033*	
LETCHER	*A103*		*COWAN*	*950400*	*7034*	
LETCHER	*A103*		*COWAN*	*950400*	*7035*	
LETCHER	*A103*		*COWAN*	*950400*	*7036*	
LETCHER	*A103*		*COWAN*	*950400*	*7037*	
LETCHER	*A103*		*COWAN*	*950400*	*7038*	
LETCHER	*A103*		*COWAN*	*950600*	*7014*	*0103*
LETCHER	*A103*		*COWAN*	*950600*	*7015*	
LETCHER	*A104*		*EOLIA*			
LETCHER	*A105*		*UPPER CUMBERLAND*			
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2001*	*0103*
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2026*	
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2027*	
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2029*	
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2030*	
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2031*	
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2032*	
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2033*	
LETCHER	*A106*		*UZ, DRY FORK*	*950400*	*2034*	

LETCHER	A106	UZ, DRY FORK	950400	2035	
LETCHER	A106	UZ, DRY FORK	950400	2036	
LETCHER	A106	UZ, DRY FORK	950400	7004	
LETCHER	A106	UZ, DRY FORK	950400	7005	0202
LETCHER	A106	UZ, DRY FORK	950400	7006	
LETCHER	A106	UZ, DRY FORK	950400	7007	
LETCHER	A106	UZ, DRY FORK	950400	7008	
LETCHER	A106	UZ, DRY FORK	950400	7009	
LETCHER	A106	UZ, DRY FORK	950400	7010	
LETCHER	A106	UZ, DRY FORK	950400	7011	
LETCHER	A106	UZ, DRY FORK	950400	7012	
LETCHER	A106	UZ, DRY FORK	950400	7013	
LETCHER	A106	UZ, DRY FORK	950400	7014	
LETCHER	A106	UZ, DRY FORK	950400	7015	
LETCHER	A106	UZ, DRY FORK	950400	7016	
LETCHER	A106	UZ, DRY FORK	950400	7017	
LETCHER	A106	UZ, DRY FORK	950400	7018	
LETCHER	A106	UZ, DRY FORK	950400	7019	
LETCHER	A106	UZ, DRY FORK	950400	7020	
LETCHER	A106	UZ, DRY FORK	950400	7021	
LETCHER	A106	UZ, DRY FORK	950400	7022	
LETCHER	A106	UZ, DRY FORK	950400	7023	
LETCHER	A106	UZ, DRY FORK	950400	7024	
LETCHER	A106	UZ, DRY FORK	950400	7025	
LETCHER	A106	UZ, DRY FORK	950400	7026	
LETCHER	A106	UZ, DRY FORK	950400	7027	
LETCHER	A106	UZ, DRY FORK	950400	7028	
LETCHER	A108	PARTRIDGE			
LETCHER	C101	NEON			
LETCHER	C102	THORNTON			
LETCHER	C103	MAYKING			
LETCHER	C104	HAYMOND			
LETCHER	C105	SECO			
LETCHER	C107	ERMINE			
LETCHER	E101	BURDINE			
LETCHER	E102	EAST JENKINS			
LETCHER	E103	WEST JENKINS			
LETCHER	E104	DUNHAM			
LETCHER	E105	MCROBERTS			
LETCHER	E106	FLEMING			
PIKE	A101	BESSIE RIDDLE ARNOLD			
PIKE	A102	HURRICANE			
PIKE	A103	PIKEVILLE HIGH SCHOOL			
PIKE	A104	LOWER PIKE			
PIKE	A105	MYERS TOWERS			
PIKE	A106	COAL RUN			
PIKE	A107	BY PASS			
PIKE	A108	MULLINS SCHOOL			
PIKE	B102	YEAGER			

PIKE	B103		OLD SHELBY			
PIKE	B104		LONG FORK			
PIKE	B105		DORTON			
PIKE	B106		ELWOOD			
PIKE	B107		ISLAND CREEK			
PIKE	C111		BURNING FORK			
PIKE	D103		UPPER CHLOE			
PIKE	D106		NEW SHELBY			
PIKE	D110		YORK			

SECTION 95. KRS 5.295 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-fifth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FLOYD	A101		COURT HOUSE/TRIMBLE BR			
FLOYD	A103		DEPOT			
FLOYD	A104		RICHMOND			
FLOYD	A105		NORTH PRESTONBURG			
FLOYD	A106		PORTER			
FLOYD	A109		COW CREEK			
FLOYD	A111		JIM BANKS			
FLOYD	A113		ABBOTT			
FLOYD	A116		CLIFF			
FLOYD	B101		JOHN POSSUM			
FLOYD	B102		MAYTOWN			
FLOYD	B103		BOSCO			
FLOYD	B104		GARRETT/ROCK FORK			
FLOYD	B105		LACKEY/WAYLAND			
FLOYD	B106		MIDDLE CREEK/JACK ALLEN			
FLOYD	B108		BEECH GROVE			
FLOYD	B109		MOUTH OF BEAVER			
FLOYD	B110		ALLEN-DWALE			
FLOYD	C101		MARTIN			
FLOYD	C102		HALBERT			
FLOYD	C103		DRIFT			
FLOYD	C104		JOHN ANT/FRASURES CREEK			
FLOYD	C105		GEARHEART			
FLOYD	C106		CLEAR CREEK			
FLOYD	C107		JACKS CREEK			
FLOYD	C108		LEE HALL			
FLOYD	C109		MELVIN			
FLOYD	C110		WEEKSBURY			
FLOYD	C111		ARKANSAS			
FLOYD	D101		ANTIOCH			
FLOYD	D102		TICKEY			
FLOYD	D103		TOLER			
FLOYD	D104		MOUTH OF MUD			
FLOYD	D105		LITTLE MUD			
FLOYD	D106		IVEL			
FLOYD	D107		BETSY LAYNE			

FLOYD	*D108*		*PRATER CREEK*			
FLOYD	*D109*		*BRANHAMS CREEK*			
FLOYD	*D110*		*HEAD OF MUD*			

SECTION 96. KRS 5.296 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-sixth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CARTER						
LEWIS						

SECTION 97. KRS 5.297 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-seventh Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
FLOYD	*A102*		*ENDICOTT/BUFFALO*			
FLOYD	*A107*		*AUXIER*			
FLOYD	*A112*		*ROUGH & TOUGH*			
JOHNSON						
MARTIN						
PIKE	*A110*		*LOWER JOHNS CREEK*			

SECTION 98. KRS 5.298 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-eighth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BOYD	*C104*		*HOODS CREEK*			
GREENUP						

SECTION 99. KRS 5.299 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-ninth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BOYD	*A108*		*DURBIN-ASHLAND OIL*			
BOYD	*A109*		*EAST FORK*			
BOYD	*A118*		*FANNIN 1*			
BOYD	*A119*		*FANNIN 2*			
BOYD	*A121*		*CANNONSBURG*			
BOYD	*C102*		*PRINCESS*			
BOYD	*C103*		*GARNER*	*031000*	*1022*	
BOYD	*C103*		*GARNER*	*031000*	*1037*	
BOYD	*C103*		*GARNER*	*031000*	*1038*	
BOYD	*C103*		*GARNER*	*031000*	*1039*	
BOYD	*C103*		*GARNER*	*031000*	*1040*	
BOYD	*C103*		*GARNER*	*031000*	*1041*	
BOYD	*C103*		*GARNER*	*031000*	*1042*	
BOYD	*C103*		*GARNER*	*031000*	*1043*	
BOYD	*C103*		*GARNER*	*031000*	*1044*	
BOYD	*C103*		*GARNER*	*031000*	*1047*	
BOYD	*C103*		*GARNER*	*031000*	*1048*	
BOYD	*C103*		*GARNER*	*031000*	*1049*	
BOYD	*C103*		*GARNER*	*031000*	*1050*	
BOYD	*C103*		*GARNER*	*031000*	*1051*	

BOYD	C103		GARNER	031000	2020	
BOYD	C103		GARNER	031000	6000	
BOYD	C103		GARNER	031000	6001	0202
BOYD	C103		GARNER	031000	6002	
BOYD	C103		GARNER	031000	6003	
BOYD	C103		GARNER	031000	6004	
BOYD	C103		GARNER	031000	6005	
BOYD	C103		GARNER	031000	6006	
BOYD	C103		GARNER	031000	6007	0202
BOYD	C103		GARNER	031000	6008	
BOYD	C103		GARNER	031000	6014	
BOYD	C103		GARNER	031000	6015	
BOYD	C103		GARNER	031000	6016	
BOYD	C103		GARNER	031000	6023	
BOYD	C103		GARNER	031000	6024	
ELLIOTT						
LAWRENCE						
ROWAN	A101		NORTH MOREHEAD			
ROWAN	A103		COURT HOUSE			
ROWAN	A105		FLEMING			
ROWAN	C101		HOGTOWN			
ROWAN	C105		CHRISTY			
ROWAN	D101		RODBURN			

SECTION 100. KRS 5.300 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The One Hundredth Representative District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOYD	A101		COURTHOUSE			
BOYD	A102		CITY BUILDING-ARGO			
BOYD	A104		HAMPTON			
BOYD	A107		ENGLAND HILL			
BOYD	A110		ELMWOOD-HILL TOP			
BOYD	A111		GARTRELL			
BOYD	A113		GARTIN			
BOYD	A114		CARP			
BOYD	A115		SOUTH ASHLAND			
BOYD	A116		RATCLIFF			
BOYD	A117		OAKVIEW			
BOYD	B101		CENTRAL			
BOYD	B102		POLLARD			
BOYD	B103		LEWIS			
BOYD	B105		DEBORD-TANNERY			
BOYD	B106		BARBER			
BOYD	B107		VINCENT			
BOYD	B108		MT ADAMS			
BOYD	B109		PRICHARD			
BOYD	B110		FOREST HILLS			
BOYD	B112		BRYSON			
BOYD	B113		SPRINGHILL			

BOYD	B114	BEECH		
BOYD	B115	GRAYSON ROADS		
BOYD	B116	AVONDALE		
BOYD	B117	HILLENDALE		
BOYD	B118	RICE # 1		
BOYD	B119	RICE # 2		
BOYD	B120	MOORE		
BOYD	B121	POAGE		
BOYD	C103	GARNER	031000	1013
BOYD	C103	GARNER	031000	1014
BOYD	C103	GARNER	031000	1015
BOYD	C103	GARNER	031000	1016
BOYD	C103	GARNER	031000	1017
BOYD	C103	GARNER	031000	1018
BOYD	C103	GARNER	031000	1019
BOYD	C103	GARNER	031000	1046
BOYD	C103	GARNER	031000	2013
BOYD	C103	GARNER	031000	2014
BOYD	C103	GARNER	031000	2015
BOYD	C103	GARNER	031000	2016
BOYD	C103	GARNER	031000	2017
BOYD	C103	GARNER	031000	2018
BOYD	C103	GARNER	031000	2021
BOYD	C103	GARNER	031000	2022
BOYD	C103	GARNER	031000	2023
BOYD	C103	GARNER	031000	2024
BOYD	C103	GARNER	031000	2025
BOYD	C103	GARNER	031000	2026
BOYD	C103	GARNER	031000	2027
BOYD	C105	FAIRVIEW		
BOYD	C106	BUCKLEY		
BOYD	C107	WESTWOOD		
BOYD	C108	MILLSEAT		
BOYD	C113	GREEN HILL		
BOYD	C114	MEADS 1		
BOYD	C115	ROCKDALE-SUMMITT		
BOYD	C116	WINSLOW-IRONVILLE		
BOYD	C117	MEADS 2		

SECTION 101. KRS 5.101 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The First Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CALLOWAY						
CARLISLE						
FULTON						
GRAVES						
HICKMAN						
LYON						

TRIGG

SECTION 102. KRS 5.102 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Second Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
BALLARD						
MARSHALL						
MCCRACKEN						

SECTION 103. KRS 5.103 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Third Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
CHRISTIAN						
LOGAN						
TODD						

SECTION 104. KRS 5.104 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
CALDWELL						
CRITTENDEN						
HENDERSON						
LIVINGSTON						
UNION						
WEBSTER						

SECTION 105. KRS 5.105 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
BRECKINRIDGE						
GRAYSON						
HANCOCK						
HART						
LARUE						
MEADE						

SECTION 106. KRS 5.106 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
HOPKINS						
MUHLENBERG						
OHIO						

SECTION 107. KRS 5.107 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventh Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ANDERSON						
FAYETTE	A102		BARKER			
FAYETTE	A104		BELL SCHOOL HOUSE			
FAYETTE	A106		CARDINAL VALLEY			
FAYETTE	A108		DONERAIL			
FAYETTE	A116		TRAILSIDE			
FAYETTE	A160		MANSION			
FAYETTE	A171		NORTHERN			
FAYETTE	A175		HORSE PARK			
FAYETTE	A178		CAYWOOD			
FAYETTE	A183		SILVER CREEK			
FAYETTE	C109		BRYAN STATION			
FAYETTE	C118		DEEP SPRINGS			
FAYETTE	C125		HELM			
FAYETTE	C127		HERMITAGE			
FAYETTE	C137		ROOKWOOD			
FAYETTE	C153		KINGSTON			
FAYETTE	C154		MAN O WAR			
FAYETTE	C155		MARY TODD			
FAYETTE	C159		SHANDON PARK			
FAYETTE	C185		N ELKHORN			
FRANKLIN						
WOODFORD						

SECTION 108. KRS 5.108 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
DAVIESS						
MCLEAN						

SECTION 109. KRS 5.109 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ALLEN						
BARREN						
EDMONSON						
GREEN						
METCALFE						
SIMPSON						

SECTION 110. KRS 5.110 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Tenth Senatorial District shall consist of the following territory:

COUNTY	PREC	SEC	NAME	---CENSUS--- TRACT	BLCK	SECT
HARDIN						
JEFFERSON	A117		PRECINCT 117 28 DISTRICT			
JEFFERSON	A119		PRECINCT 119 28 DISTRICT			
JEFFERSON	A120		PRECINCT 120 28 DISTRICT			
JEFFERSON	A121		PRECINCT 121 28 DISTRICT			
JEFFERSON	A122		PRECINCT 122 28 DISTRICT			
JEFFERSON	A129		PRECINCT 129 28 DISTRICT			
JEFFERSON	A130		PRECINCT 130 28 DISTRICT			
JEFFERSON	A132		PRECINCT 132 28 DISTRICT			
JEFFERSON	A134		PRECINCT 134 28 DISTRICT			

SECTION 111. KRS 5.111 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eleventh Senatorial District shall consist of the following territory:

COUNTY	PREC	SEC	NAME	---CENSUS--- TRACT	BLCK	SECT
BOONE						
GALLATIN						
KENTON	B103		CRESTVIEW #1			
KENTON	B104		CRESTVIEW #2			
KENTON	C114		ERLANGER #8			
KENTON	C121		FT. MITCHELL #7			
KENTON	C127		LAKESIDE #1			
KENTON	C128		LAKESIDE #2			
KENTON	C129		LAKESIDE #3			
KENTON	C138		VILLA HILLS #5			

SECTION 112. KRS 5.112 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twelfth Senatorial District shall consist of the following territory:

COUNTY	PREC	SEC	NAME	---CENSUS--- TRACT	BLCK	SECT
FAYETTE	A101		ALEXANDRIA			
FAYETTE	A103		BEAUMONT			
FAYETTE	A113		GARDEN SPRINGS			
FAYETTE	A118		HOLIDAY HILLS			
FAYETTE	A138		THE COLONY			
FAYETTE	A139		TURFLAND			
FAYETTE	A151		CLAYS MILL			
FAYETTE	A157		HARRODS HILL			
FAYETTE	A158		ARMORY			
FAYETTE	A166		TWIN OAKS			
FAYETTE	A167		PASADENA			
FAYETTE	A176		SUNGALE			
FAYETTE	A180		BEAUMONT CENTRE			
FAYETTE	A182		ASHBROOKE			
FAYETTE	B103		SAYRE VILLAGE			
FAYETTE	B104		BRIGADOON			
FAYETTE	B106		WILDWOOD			

FAYETTE	*B110*	*FAIRWAY*
FAYETTE	*B111*	*GAINESWAY*
FAYETTE	*B112*	*GLENDOVER*
FAYETTE	*B117*	*KEITHSHIRE*
FAYETTE	*B119*	*LAKETOWER*
FAYETTE	*B120*	*LANSDOWNE*
FAYETTE	*B121*	*LEAWOOD*
FAYETTE	*B125*	*MALABU*
FAYETTE	*B127*	*MERRICK*
FAYETTE	*B128*	*CHINOE*
FAYETTE	*B129*	*MONTICELLO*
FAYETTE	*B133*	*CEDAR RUN*
FAYETTE	*B139*	*SHRINE*
FAYETTE	*B140*	*SOUTHEASTERN HILLS*
FAYETTE	*B141*	*STONE*
FAYETTE	*B142*	*STONEWALL*
FAYETTE	*B143*	*TATES CREEK*
FAYETTE	*B146*	*KENLOCK*
FAYETTE	*B150*	*ROBINWOOD*
FAYETTE	*B151*	*BLAIRMORE*
FAYETTE	*B152*	*EDGEWATER*
FAYETTE	*B154*	*TUDOR*
FAYETTE	*B155*	*ASCOT*
FAYETTE	*B156*	*BAYSWATER*
FAYETTE	*B157*	*KIRKLEVINGTON*
FAYETTE	*B158*	*PARK HILLS*
FAYETTE	*B163*	*PLANTATION*
FAYETTE	*B164*	*BLUEBERRY HILLS*
FAYETTE	*B165*	*OAKS*
FAYETTE	*B166*	*LAKEVIEW*
FAYETTE	*B168*	*MONTAVESTA*
FAYETTE	*B169*	*MT. RAINIER*
FAYETTE	*B172*	*SHILLITO*
FAYETTE	*B174*	*WHISPERING HILLS*
FAYETTE	*B181*	*TABORLAKE*
FAYETTE	*B183*	*CAVE HILL*
FAYETTE	*B184*	*PALOMAR*
FAYETTE	*B187*	*STONE CREEK*
FAYETTE	*B188*	*CASTLEGATE*
FAYETTE	*B189*	*KITTIWAKE*
FAYETTE	*B190*	*LAREDO*
FAYETTE	*B192*	*PALMETTO*
FAYETTE	*B195*	*WALDEN GROVE*
FAYETTE	*B196*	*SPRINGHOUSE*
FAYETTE	*B197*	*AQUEDUCT*
FAYETTE	*B199*	*INDIAN HILLS*
FAYETTE	*B201*	*HARRODS VIEW*
FAYETTE	*B205*	*BLACKHORSE*
FAYETTE	*C102*	*BARREN RIVER*

FAYETTE	*C114*	*AUTUMN RIDGE*
FAYETTE	*C150*	*WINTER GARDEN*
FAYETTE	*C151*	*COVE LAKE*
FAYETTE	*C152*	*HARTLAND*
FAYETTE	*C156*	*PATCHEN VILLAGE*
FAYETTE	*C157*	*RICHMOND RD.*
FAYETTE	*C160*	*WALNUT HILL*
FAYETTE	*C161*	*TATESBROOK*
FAYETTE	*C162*	*NIAGARA*
FAYETTE	*C163*	*GREENBRIER*
FAYETTE	*C164*	*EAST HILLS*
FAYETTE	*C165*	*CRESTVIEW*
FAYETTE	*C171*	*GROVES POINT*
FAYETTE	*C172*	*ATHENS*
FAYETTE	*C173*	*BUCKHORN*
FAYETTE	*C174*	*CENTURY HILLS*
FAYETTE	*C175*	*EAST LAKE*
FAYETTE	*C176*	*SQUIRE OAK*
FAYETTE	*C177*	*SUMMERHILL*
FAYETTE	*C178*	*PLEASANT GROVE*
FAYETTE	*C179*	*BRANDYWINE*
FAYETTE	*C180*	*BROADMOOR*
FAYETTE	*C183*	*MILLCREEK*
FAYETTE	*C184*	*MT FORAKER*
FAYETTE	*C186*	*OLD FARM*
FAYETTE	*C187*	*CHILESBURG*
FAYETTE	*C188*	*STEPHEN FOSTER*
FAYETTE	*C191*	*PLAINVIEW*
FAYETTE	*C192*	*CHETFORD*
FAYETTE	*C193*	*SHEFFIELD PLACE*
FAYETTE	*C194*	*CHESTNUT HILL*
FAYETTE	*C196*	*MAPLELEAF*
FAYETTE	*C197*	*MOORELAND*
FAYETTE	*C198*	*MT. RUSHMORE*
FAYETTE	*C199*	*WOODFIELD*
FAYETTE	*C200*	*DEER CROSSING*
FAYETTE	*C201*	*TIMBER CREEK*
FAYETTE	*C203*	*GINGERMILL*

SECTION 113. KRS 5.113 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirteenth Senatorial District shall consist of the following territory:

				—CENSUS—		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
FAYETTE	*A109*		*DOUGLAS-WASHINGTON*			
FAYETTE	*A111*		*FAIRLAWN*			
FAYETTE	*A114*		*GIBSON PARK*			
FAYETTE	*A115*		*GREEN ACRES*			
FAYETTE	*A117*		*HAMPTON COURT*			
FAYETTE	*A120*		*JULIUS MARKS*			
FAYETTE	*A121*		*KEYS*			

FAYETTE	A123	LANE ALLEN
FAYETTE	A126	MARLBORO
FAYETTE	A128	MEADOWTHORPE
FAYETTE	A130	OAKWOOD
FAYETTE	A131	OXFORD
FAYETTE	A132	PINE MEADOWS
FAYETTE	A133	PRESTON INN
FAYETTE	A134	RADCLIFFE
FAYETTE	A135	ST. MARTINS
FAYETTE	A136	SKYCREST
FAYETTE	A140	VERSAILLES RD
FAYETTE	A143	WEST MAIN
FAYETTE	A144	WINBURN
FAYETTE	A145	WOLF RUN
FAYETTE	A146	TRIANGLE PARK
FAYETTE	A148	ALABAMA
FAYETTE	A149	ASPENDALE-BLUEGRASS
FAYETTE	A150	CAMPSIE
FAYETTE	A152	HIGHLANDS
FAYETTE	A155	OHIO-WALNUT
FAYETTE	A156	PERSHING
FAYETTE	A161	COOLAVIN
FAYETTE	A162	VILLAGE
FAYETTE	A163	FAIRGROUNDS
FAYETTE	A164	HOLLOW CREEK
FAYETTE	A165	GRIFFIN GATE
FAYETTE	A168	BLUE ACRES
FAYETTE	A169	CASTLEWOOD
FAYETTE	A170	MEADOW LANE
FAYETTE	A172	WARFIELD PLACE
FAYETTE	A173	IMPERIAL
FAYETTE	A174	ARLINGTON
FAYETTE	A177	PHOENIX PARK
FAYETTE	A179	VALLEY FARM
FAYETTE	A181	HEADLEY GREEN
FAYETTE	B102	BARKLEY
FAYETTE	B105	BROOKHAVEN
FAYETTE	B108	DEERFIELD
FAYETTE	B113	GOODRICH
FAYETTE	B114	HILL-N-DALE
FAYETTE	B118	LAFAYETTE
FAYETTE	B123	ECTON PARK
FAYETTE	B130	OPEN GATES
FAYETTE	B132	PICADOME
FAYETTE	B135	SEVEN PARKS
FAYETTE	B137	SHADELAND
FAYETTE	B138	SHADY LANE
FAYETTE	B144	TOWERS
FAYETTE	B147	ZANDALE

FAYETTE	*B159*	*SOUTHVIEW*
FAYETTE	*B167*	*GRAY HAWK*
FAYETTE	*B182*	*MONTCLAIR*
FAYETTE	*C103*	*ASHLAND AVENUE*
FAYETTE	*C105*	*AYLESFORD*
FAYETTE	*C110*	*BUNKER*
FAYETTE	*C113*	*CHEVY CHASE*
FAYETTE	*C115*	*CLIFTON*
FAYETTE	*C117*	*CRAWFORD*
FAYETTE	*C119*	*DIXIE*
FAYETTE	*C120*	*DUKE*
FAYETTE	*C121*	*EASTLAND*
FAYETTE	*C122*	*ELLERSLIE*
FAYETTE	*C124*	*FONTAINE*
FAYETTE	*C126*	*KINGSWOOD*
FAYETTE	*C128*	*HOLLYWOOD*
FAYETTE	*C129*	*IDLE HOUR*
FAYETTE	*C130*	*JULIA R EWAN*
FAYETTE	*C131*	*LAWRENCE*
FAYETTE	*C132*	*LIBERTY HEIGHTS*
FAYETTE	*C134*	*MT. VERNON*
FAYETTE	*C138*	*VICTORY*
FAYETTE	*C140*	*WALTON*
FAYETTE	*C142*	*WOODLAND*
FAYETTE	*C143*	*WOODSPOINT*
FAYETTE	*C144*	*ALSAB*
FAYETTE	*C145*	*AUGUSTA*
FAYETTE	*C148*	*DELAWARE*
FAYETTE	*C167*	*RIO DOSA*
FAYETTE	*C169*	*TRADE CENTER*
FAYETTE	*C170*	*BRECKINRIDGE*
FAYETTE	*C181*	*EASTWOOD*
FAYETTE	*C189*	*SADDLEBROOK*
FAYETTE	*C195*	*LIBERTY STATION*
FAYETTE	*X001*	*X001*

SECTION 114. KRS 5.114 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourteenth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
MARION						
MERCER						
NELSON						
TAYLOR						
WASHINGTON						

SECTION 115. KRS 5.115 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifteenth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
ADAIR						

CASEY						
PULASKI						
RUSSELL						

SECTION 116. KRS 5.116 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixteenth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CLINTON						
CUMBERLAND						
MCCREARY						
MONROE						
WAYNE						
WHITLEY						

SECTION 117. KRS 5.117 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventeenth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
GRANT						
KENTON	*B101*		*BRACHT*			
KENTON	*B105*		*DECOURSEY*			
KENTON	*B115*		*INDEPENDENCE #1*			
KENTON	*B116*		*INDEPENDENCE #2*			
KENTON	*B117*		*INDEPENDENCE #3*			
KENTON	*B118*		*INDEPENDENCE #4*			
KENTON	*B119*		*MORNINGVIEW*			
KENTON	*B120*		*NICHOLSON #1*			
KENTON	*B121*		*NICHOLSON #2*			
KENTON	*B122*		*OAKRIDGE*			
KENTON	*B123*		*PINER*			
KENTON	*B124*		*RICHARDSON #1*			
KENTON	*B125*		*RICHARDSON #2*			
KENTON	*B126*		*TAYLOR MILL #1*			
KENTON	*B127*		*TAYLOR MILL #2*			
KENTON	*B128*		*TAYLOR MILL #3*			
KENTON	*B129*		*VISALIA*			
KENTON	*B130*		*WHITES TOWER*			
KENTON	*B131*		*INDEPENDENCE #5*			
KENTON	*B132*		*INDEPENDENCE #6*			
KENTON	*B133*		*INDEPENDENCE #7*			
KENTON	*B134*		*INDEPENDENCE # 8*			
KENTON	*B135*		*RICHARDSON #3*			
KENTON	*B136*		*INDEPENDENCE #9*			
KENTON	*B137*		*INDEPENDENCE #10*			
OWEN						
SCOTT						

SECTION 118. KRS 5.118 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighteenth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*

BRACKEN
CARTER
GREENUP
LEWIS
MASON
ROBERTSON

SECTION 119. KRS 5.119 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Nineteenth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	C121		PRECINCT 121 30 DISTRICT			
JEFFERSON	C122		PRECINCT 122 30 DISTRICT			
JEFFERSON	C123		PRECINCT 123 30 DISTRICT			
JEFFERSON	C124		PRECINCT 124 30 DISTRICT			
JEFFERSON	C127		PRECINCT 127 30 DISTRICT			
JEFFERSON	C128		PRECINCT 128 30 DISTRICT			
JEFFERSON	C129		PRECINCT 129 30 DISTRICT			
JEFFERSON	C130		PRECINCT 130 30 DISTRICT			
JEFFERSON	C131		PRECINCT 131 30 DISTRICT			
JEFFERSON	D101		PRECINCT 101 31 DISTRICT			
JEFFERSON	D104		PRECINCT 104 31 DISTRICT			
JEFFERSON	D105		PRECINCT 105 31 DISTRICT			
JEFFERSON	D106		PRECINCT 106 31 DISTRICT			
JEFFERSON	D108		PRECINCT 108 31 DISTRICT			
JEFFERSON	D109		PRECINCT 109 31 DISTRICT			
JEFFERSON	D110		PRECINCT 110 31 DISTRICT			
JEFFERSON	D114		PRECINCT 114 31 DISTRICT			
JEFFERSON	D115		PRECINCT 115 31 DISTRICT			
JEFFERSON	D116		PRECINCT 116 31 DISTRICT			
JEFFERSON	D117		PRECINCT 117 31 DISTRICT			
JEFFERSON	D120		PRECINCT 120 31 DISTRICT			
JEFFERSON	D122		PRECINCT 122 31 DISTRICT			
JEFFERSON	D129		PRECINCT 129 31 DISTRICT			
JEFFERSON	D130		PRECINCT 130 31 DISTRICT			
JEFFERSON	D131		PRECINCT 131 31 DISTRICT			
JEFFERSON	D132		PRECINCT 132 31 DISTRICT			
JEFFERSON	D134		PRECINCT 134 31 DISTRICT			
JEFFERSON	D135		PRECINCT 135 31 DIST			
JEFFERSON	D136		PRECINCT 136 31 DIST			
JEFFERSON	D138		PRECINCT 138 31 DIST			
JEFFERSON	D139		PRECINCT 139 31 DISTRICT			
JEFFERSON	E110		PRECINCT 110 32 DISTRICT			
JEFFERSON	E111		PRECINCT 111 32 DISTRICT			
JEFFERSON	E112		PRECINCT 112 32 DISTRICT			
JEFFERSON	E114		PRECINCT 114 32 DISTRICT			
JEFFERSON	E116		PRECINCT 116 32 DISTRICT			
JEFFERSON	E118		PRECINCT 118 32 DISTRICT			
JEFFERSON	E119		PRECINCT 119 32 DISTRICT			
JEFFERSON	E120		PRECINCT 120 32 DISTRICT			

JEFFERSON	E126	PRECINCT 126 32 DISTRICT
JEFFERSON	E130	PRECINCT 130 32 DISTRICT
JEFFERSON	E138	PRECINCT 138 32 DISTRICT
JEFFERSON	E139	PRECINCT 139 32 DISTRICT
JEFFERSON	E140	PRECINCT 140 32 DISTRICT
JEFFERSON	E143	PRECINCT 143 32 DISTRICT
JEFFERSON	E156	PRECINCT 156 32 DISTRICT
JEFFERSON	F122	PRECINCT 122 33 DISTRICT
JEFFERSON	F125	PRECINCT 125 33 DISTRICT
JEFFERSON	F140	PRECINCT 140 33 DIST
JEFFERSON	G108	PRECINCT 108 34 DISTRICT
JEFFERSON	G109	PRECINCT 109 34 DISTRICT
JEFFERSON	G111	PRECINCT 111 34 DISTRICT
JEFFERSON	G112	PRECINCT 112 34 DISTRICT
JEFFERSON	G116	PRECINCT 116 34 DISTRICT
JEFFERSON	G117	PRECINCT 117 34 DISTRICT
JEFFERSON	G119	PRECINCT 119 34 DISTRICT
JEFFERSON	G120	PRECINCT 120 34 DISTRICT
JEFFERSON	G121	PRECINCT 121 34 DISTRICT
JEFFERSON	G122	PRECINCT 122 34 DISTRICT
JEFFERSON	G123	PRECINCT 123 34 DISTRICT
JEFFERSON	G124	PRECINCT 124 34 DISTRICT
JEFFERSON	G126	PRECINCT 126 34 DISTRICT
JEFFERSON	G129	PRECINCT 129 34 DISTRICT
JEFFERSON	G140	PRECINCT 140 34 DISTRICT
JEFFERSON	G141	PRECINCT 141 34 DISTRICT
JEFFERSON	G142	PRECINCT 142 34 DISTRICT
JEFFERSON	G143	PRECINCT 143 34 DISTRICT
JEFFERSON	G144	PRECINCT 144 34 DISTRICT
JEFFERSON	G145	PRECINCT 145 34 DISTRICT
JEFFERSON	G146	PRECINCT 146 34 DISTRICT
JEFFERSON	G147	PRECINCT 147 34 DISTRICT
JEFFERSON	G148	PRECINCT 148 34 DISTRICT
JEFFERSON	G149	PRECINCT 149 34 DISTRICT
JEFFERSON	G150	PRECINCT 150 34 DISTRICT
JEFFERSON	G151	PRECINCT 151 34 DISTRICT
JEFFERSON	G153	PRECINCT 153 34 DISTRICT
JEFFERSON	H103	PRECINCT 103 35 DISTRICT
JEFFERSON	H105	PRECINCT 105 35 DISTRICT
JEFFERSON	H106	PRECINCT 106 35 DISTRICT
JEFFERSON	H109	PRECINCT 109 35 DISTRICT
JEFFERSON	H110	PRECINCT 110 35 DISTRICT
JEFFERSON	H111	PRECINCT 111 35 DISTRICT
JEFFERSON	H112	PRECINCT 112 35 DISTRICT
JEFFERSON	H113	PRECINCT 113 35 DISTRICT
JEFFERSON	H115	PRECINCT 115 35 DISTRICT
JEFFERSON	H116	PRECINCT 116 35 DISTRICT
JEFFERSON	H117	PRECINCT 117 35 DISTRICT
JEFFERSON	H118	PRECINCT 118 35 DISTRICT

JEFFERSON	*H120*	*PRECINCT 120 35 DISTRICT*
JEFFERSON	*H121*	*PRECINCT 121 35 DISTRICT*
JEFFERSON	*H141*	*PRECINCT 141 35 DISTRICT*
JEFFERSON	*L129*	*PRECINCT 129 41 DISTRICT*
JEFFERSON	*R105*	*PRECINCT 105 47 DISTRICT*
JEFFERSON	*R106*	*PRECINCT 106 47 DISTRICT*
JEFFERSON	*R131*	*PRECINCT 131 47 DISTRICT*
JEFFERSON	*R139*	*PRECINCT 139 47 DISTRICT*

SECTION 120. KRS 5.120 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twentieth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BULLITT						
SHELBY						
SPENCER						

SECTION 121. KRS 5.121 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-first Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
ESTILL						
JACKSON						
LAUREL						
MENIFEE						
POWELL						

SECTION 122. KRS 5.122 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-second Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BOYLE						
FAYETTE	*B101*		*CLEMENS HTS.*			
FAYETTE	*B153*		*WHITFIELD*			
FAYETTE	*B170*		*PICKWAY*			
FAYETTE	*B173*		*CUMBERLAND*			
FAYETTE	*B175*		*HIGHPLAIN*			
FAYETTE	*B177*		*WYNDHAM HILLS*			
FAYETTE	*B179*		*FAIRHAVEN*			
FAYETTE	*B185*		*SCENICVIEW*			
FAYETTE	*B186*		*GLENVIEW*			
FAYETTE	*B191*		*WAVERLY*			
FAYETTE	*B193*		*HIDDEN SPRINGS*			
FAYETTE	*B198*		*BRIDGEMONT*			
FAYETTE	*B200*		*WHITE PINE*			
FAYETTE	*B202*		*PINNACLE*			
FAYETTE	*B203*		*WYNDSONG*			
FAYETTE	*B204*		*ATWOOD*			
FAYETTE	*B206*		*ROLLING CREEK*			
FAYETTE	*B207*		*FOX HARBOUR*			
FAYETTE	*B208*		*VALE*			
FAYETTE	*C166*		*TANBARK*			

FAYETTE	*C182*		*KENESAW VILLAGE*			
FAYETTE	*C190*		*AMHERST*			
GARRARD						
JESSAMINE						

SECTION 123. KRS 5.123 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-third Senatorial District shall consist of the following territory:

					---CENSUS---	
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
KENTON	*A101*		*COVINGTON # 1*			
KENTON	*A102*		*COVINGTON #3*			
KENTON	*A103*		*COVINGTON #7*			
KENTON	*A104*		*COVINGTON #10*			
KENTON	*A105*		*COVINGTON #11*			
KENTON	*A106*		*COVINGTON #12*			
KENTON	*A107*		*COVINGTON #13*			
KENTON	*A108*		*COVINGTON #15*			
KENTON	*A109*		*COVINGTON #19*			
KENTON	*A110*		*COVINGTON #20*			
KENTON	*A111*		*COVINGTON #21*			
KENTON	*A112*		*COVINGTON #23*			
KENTON	*A113*		*COVINGTON #24*			
KENTON	*A114*		*COVINGTON #25*			
KENTON	*A115*		*COVINGTON #26*			
KENTON	*A116*		*COVINGTON #27*			
KENTON	*A117*		*COVINGTON # 30*			
KENTON	*A118*		*COVINGTON # 31*			
KENTON	*A119*		*COVINGTON #33*			
KENTON	*A120*		*COVINGTON #34*			
KENTON	*A121*		*COVINGTON #36*			
KENTON	*A122*		*COVINGTON #39*			
KENTON	*A123*		*COVINGTON #41*			
KENTON	*A124*		*COVINGTON #42*			
KENTON	*A125*		*BROMLEY*			
KENTON	*A126*		*LUDLOW #1*			
KENTON	*A127*		*LUDLOW #2*			
KENTON	*A128*		*LUDLOW #3*			
KENTON	*A129*		*LUDLOW #4*			
KENTON	*A130*		*WINSTON PARK*			
KENTON	*B102*		*CRESTVIEW #3*			
KENTON	*B106*		*EDGEWOOD #1*			
KENTON	*B107*		*EDGEWOOD #2*			
KENTON	*B108*		*EDGEWOOD #3*			
KENTON	*B109*		*EDGEWOOD #4*			
KENTON	*B110*		*EDGEWOOD #5*			
KENTON	*B111*		*EDGEWOOD #6*			
KENTON	*B112*		*EDGEWOOD #7*			
KENTON	*B113*		*FT. MITCHELL#1*			
KENTON	*B114*		*HANDS PIKE*			
KENTON	*C101*		*CRESCENT SPRINGS #1*			

KENTON	C102	CRESCENT SPRINGS #2
KENTON	C103	ELSMERE #1
KENTON	C104	ELSMERE #2
KENTON	C105	ELSMERE #3
KENTON	C106	ELSMERE #4
KENTON	C107	ERLANGER #1
KENTON	C108	ERLANGER #2
KENTON	C109	ERLANGER #3
KENTON	C110	ERLANGER #4
KENTON	C111	ERLANGER #5
KENTON	C112	ERLANGER #6
KENTON	C113	ERLANGER #7
KENTON	C115	ERLANGER #9
KENTON	C116	FT. MITCHELL #2
KENTON	C117	FT. MITCHELL #3
KENTON	C118	FT. MITCHELL #4
KENTON	C119	FT. MITCHELL #5
KENTON	C120	FT. MITCHELL #6
KENTON	C122	FT. WRIGHT #1
KENTON	C123	FT. WRIGHT #2
KENTON	C124	FT. WRIGHT #3
KENTON	C125	FT. WRIGHT #4
KENTON	C126	FT WRIGHT #5
KENTON	C130	PARK HILLS #1
KENTON	C131	PARK HILLS #2
KENTON	C132	PARK HILLS #3
KENTON	C133	VILLA HILLS #1
KENTON	C134	VILLA HILLS #2
KENTON	C135	VILLA HILLS #3
KENTON	C136	VILLA HILLS # 4
KENTON	C137	CRESCENT SPRINGS #3
KENTON	C139	ELSMERE#5
KENTON	X001	X001

SECTION 124. KRS 5.124 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fourth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CAMPBELL						
PENDLETON						

SECTION 125. KRS 5.125 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fifth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CLAY						
KNOX						
LEE						
MAGOFFIN						
MORGAN						
OWSLEY						
WOLFE						

SECTION 126. KRS 5.126 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-sixth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
CARROLL						
HENRY						
JEFFERSON	*E152*		*PRECINCT 152 32 DISTRICT*			
JEFFERSON	*F101*		*PRECINCT 101 33 DISTRICT*			
JEFFERSON	*F142*		*PRECINCT 142 33 DISTRICT*			
JEFFERSON	*S103*		*PRECINCT 103 48 DISTRICT*			
JEFFERSON	*S116*		*PRECINCT 116 48 DISTRICT*			
JEFFERSON	*S117*		*PRECINCT 117 48 DISTRICT*			
JEFFERSON	*S118*		*PRECINCT 118 48 DISTRICT*			
JEFFERSON	*S125*		*PRECINCT 125 48 DISTRICT*			
JEFFERSON	*S126*		*PRECINCT 126 48 DISTRICT*			
JEFFERSON	*S128*		*PRECINCT 128 48 DISTRICT*			
JEFFERSON	*S129*		*PRECINCT 129 48 DISTRICT*			
JEFFERSON	*S130*		*PRECINCT 130 48 DISTRICT*			
JEFFERSON	*S131*		*PRECINCT 131 48 DISTRICT*			
JEFFERSON	*S132*		*PRECINCT 132 48 DISTRICT*			
JEFFERSON	*S136*		*PRECINCT 136 48 DISTRICT*			
JEFFERSON	*S137*		*PRECINCT 137 48 DISTRICT*			
JEFFERSON	*S139*		*PRECINCT 139 48 DISTRICT*			
JEFFERSON	*S140*		*PRECINCT 140 48 DISTRICT*			
JEFFERSON	*S141*		*PRECINCT 141 48 DISTRICT*			
JEFFERSON	*S143*		*PRECINCT 143 48 DIST*			
JEFFERSON	*S144*		*PRECINCT 144 48 DISTRICT*			
OLDHAM						
TRIMBLE						

SECTION 127. KRS 5.127 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-seventh Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BOYD						
ELLIOTT						
FLEMING						
LAWRENCE						
ROWAN						

SECTION 128. KRS 5.128 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-eighth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BATH						
BOURBON						
CLARK						
HARRISON						
MONTGOMERY						
NICHOLAS						

SECTION 129. KRS 5.129 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-ninth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BREATHITT						
FLOYD						
KNOTT						
LETCHER						

SECTION 130. KRS 5.130 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirtieth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BELL						
HARLAN						
LESLIE						
PERRY						

SECTION 131. KRS 5.131 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-first Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JOHNSON						
MARTIN						
PIKE						

SECTION 132. KRS 5.132 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-second Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BUTLER						
WARREN						

SECTION 133. KRS 5.133 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-third Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	K107		PRECINCT 107 40 DISTRICT			
JEFFERSON	K121		PRECINCT 121 40 DISTRICT			
JEFFERSON	K123		PRECINCT 123 40 DISTRICT			
JEFFERSON	K130		PRECINCT 130 40 DISTRICT			
JEFFERSON	K131		PRECINCT 131 40 DISTRICT			
JEFFERSON	L101		PRECINCT 101 41 DISTRICT			

JEFFERSON	***L103***	***PRECINCT 103 41 DISTRICT***
JEFFERSON	***L104***	***PRECINCT 104 41 DISTRICT***
JEFFERSON	***L107***	***PRECINCT 107 41 DISTRICT***
JEFFERSON	***L108***	***PRECINCT 108 41 DISTRICT***
JEFFERSON	***L109***	***PRECINCT 109 41 DISTRICT***
JEFFERSON	***L110***	***PRECINCT 110 41 DISTRICT***
JEFFERSON	***L111***	***PRECINCT 111 41 DISTRICT***
JEFFERSON	***L113***	***PRECINCT 113 41 DISTRICT***
JEFFERSON	***L114***	***PRECINCT 114 41 DISTRICT***
JEFFERSON	***L115***	***PRECINCT 115 41 DISTRICT***
JEFFERSON	***L116***	***PRECINCT 116 41 DISTRICT***
JEFFERSON	***L117***	***PRECINCT 117 41 DISTRICT***
JEFFERSON	***L119***	***PRECINCT 119 41 DISTRICT***
JEFFERSON	***L121***	***PRECINCT 121 41 DISTRICT***
JEFFERSON	***L122***	***PRECINCT 122 41 DISTRICT***
JEFFERSON	***L124***	***PRECINCT 124 41 DISTRICT***
JEFFERSON	***L126***	***PRECINCT 126 41 DISTRICT***
JEFFERSON	***L133***	***PRECINCT 133 41 DISTRICT***
JEFFERSON	***M102***	***PRECINCT 102 42 DISTRICT***
JEFFERSON	***M103***	***PRECINCT 103 42 DISTRICT***
JEFFERSON	***M104***	***PRECINCT 104 42 DISTRICT***
JEFFERSON	***M105***	***PRECINCT 105 42 DISTRICT***
JEFFERSON	***M106***	***PRECINCT 106 42 DISTRICT***
JEFFERSON	***M107***	***PRECINCT 107 42 DISTRICT***
JEFFERSON	***M110***	***PRECINCT 110 42 DISTRICT***
JEFFERSON	***M116***	***PRECINCT 116 42 DISTRICT***
JEFFERSON	***M117***	***PRECINCT 117 42 DISTRICT***
JEFFERSON	***M132***	***PRECINCT 132 42 DISTRICT***
JEFFERSON	***M133***	***PRECINCT 133 42 DISTRICT***
JEFFERSON	***M134***	***PRECINCT 134 42 DISTRICT***
JEFFERSON	***M135***	***PRECINCT 135 42 DISTRICT***
JEFFERSON	***N101***	***PRECINCT 101 43 DISTRICT***
JEFFERSON	***N102***	***PRECINCT 102 43 DISTRICT***
JEFFERSON	***N103***	***PRECINCT 103 43 DISTRICT***
JEFFERSON	***N104***	***PRECINCT 104 43 DISTRICT***
JEFFERSON	***N105***	***PRECINCT 105 43 DISTRICT***
JEFFERSON	***N106***	***PRECINCT 106 43 DISTRICT***
JEFFERSON	***N107***	***PRECINCT 107 43 DISTRICT***
JEFFERSON	***N108***	***PRECINCT 108 43 DISTRICT***
JEFFERSON	***N109***	***PRECINCT 109 43 DISTRICT***
JEFFERSON	***N110***	***PRECINCT 110 43 DISTRICT***
JEFFERSON	***N111***	***PRECINCT 111 43 DISTRICT***
JEFFERSON	***N112***	***PRECINCT 112 43 DISTRICT***
JEFFERSON	***N113***	***PRECINCT 113 43 DISTRICT***
JEFFERSON	***N115***	***PRECINCT 115 43 DISTRICT***
JEFFERSON	***N117***	***PRECINCT 117 43 DISTRICT***
JEFFERSON	***N118***	***PRECINCT 118 43 DISTRICT***
JEFFERSON	***N119***	***PRECINCT 119 43 DISTRICT***
JEFFERSON	***N121***	***PRECINCT 121 43 DISTRICT***

JEFFERSON	N122		PRECINCT 122 43 DISTRICT			
JEFFERSON	N124		PRECINCT 124 43 DISTRICT			
JEFFERSON	O103		PRECINCT 103 44 DISTRICT			
JEFFERSON	O104		PRECINCT 104 44 DISTRICT			
JEFFERSON	O105		PRECINCT 105 44 DISTRICT			
JEFFERSON	O107		PRECINCT 107 44 DISTRICT			
JEFFERSON	O109		PRECINCT 109 44 DISTRICT			
JEFFERSON	O111		PRECINCT 111 44 DISTRICT			
JEFFERSON	O113		PRECINCT 113 44 DISTRICT			
JEFFERSON	O116		PRECINCT 116 44 DISTRICT			
JEFFERSON	O117		PRECINCT 117 44 DISTRICT			
JEFFERSON	O119		PRECINCT 119 44 DISTRICT			
JEFFERSON	O121		PRECINCT 121 44 DISTRICT			
JEFFERSON	O123		PRECINCT 123 44 DISTRICT			
JEFFERSON	O126		PRECINCT 126 44 DISTRICT			

SECTION 134. KRS 5.134 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fourth Senatorial District shall consist of the following territory:

					---CENSUS---	
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
LINCOLN						
MADISON						
ROCKCASTLE						

SECTION 135. KRS 5.135 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fifth Senatorial District shall consist of the following territory:

					---CENSUS---	
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	C101		PRECINCT 101 30 DISTRICT			
JEFFERSON	C102		PRECINCT 102 30 DISTRICT			
JEFFERSON	C103		PRECINCT 103 30 DISTRICT			
JEFFERSON	C104		PRECINCT 104 30 DISTRICT			
JEFFERSON	C105		PRECINCT 105 30 DISTRICT			
JEFFERSON	C106		PRECINCT 106 30 DISTRICT			
JEFFERSON	C108		PRECINCT 108 30 DISTRICT			
JEFFERSON	C109		PRECINCT 109 30 DISTRICT			
JEFFERSON	C110		PRECINCT 110 30 DISTRICT			
JEFFERSON	C111		PRECINCT 111 30 DISTRICT			
JEFFERSON	C113		PRECINCT 113 30 DISTRICT			
JEFFERSON	C115		PRECINCT 115 30 DISTRICT			
JEFFERSON	C125		PRECINCT 125 30 DISTRICT			
JEFFERSON	C126		PRECINCT 126 30 DISTRICT			
JEFFERSON	D113		PRECINCT 113 31 DISTRICT			
JEFFERSON	F118		PRECINCT 118 33 DISTRICT			
JEFFERSON	F119		PRECINCT 119 33 DISTRICT			
JEFFERSON	F120		PRECINCT 120 33 DISTRICT			
JEFFERSON	F121		PRECINCT 121 33 DISTRICT			
JEFFERSON	G103		PRECINCT 103 34 DISTRICT			
JEFFERSON	G104		PRECINCT 104 34 DISTRICT			
JEFFERSON	G106		PRECINCT 106 34 DISTRICT			
JEFFERSON	G107		PRECINCT 107 34 DISTRICT			

JEFFERSON	H102	PRECINCT 102 35 DISTRICT
JEFFERSON	H114	PRECINCT 114 35 DISTRICT
JEFFERSON	H123	PRECINCT 123 35 DISTRICT
JEFFERSON	H126	PRECINCT 126 35 DISTRICT
JEFFERSON	H127	PRECINCT 127 35 DISTRICT
JEFFERSON	H130	PRECINCT 130 35 DISTRICT
JEFFERSON	H131	PRECINCT 131 35 DISTRICT
JEFFERSON	H132	PRECINCT 132 35 DISTRICT
JEFFERSON	H133	PRECINCT 133 35 DISTRICT
JEFFERSON	H142	PRECINCT 142 35 DISTRICT
JEFFERSON	I101	PRECINCT 101 37 DISTRICT
JEFFERSON	I103	PRECINCT 103 37 DISTRICT
JEFFERSON	I104	PRECINCT 104 37 DISTRICT
JEFFERSON	I127	PRECINCT 127 37 DISTRICT
JEFFERSON	I128	PRECINCT 128 37 DISTRICT
JEFFERSON	J101	PRECINCT 101 38 DISTRICT
JEFFERSON	J104	PRECINCT 104 38 DISTRICT
JEFFERSON	J107	PRECINCT 107 38 DISTRICT
JEFFERSON	J130	PRECINCT 130 38 DISTRICT
JEFFERSON	J133	PRECINCT 133 38 DISTRICT
JEFFERSON	K103	PRECINCT 103 40 DISTRICT
JEFFERSON	K104	PRECINCT 104 40 DISTRICT
JEFFERSON	K105	PRECINCT 105 40 DISTRICT
JEFFERSON	K108	PRECINCT 108 40 DISTRICT
JEFFERSON	K110	PRECINCT 110 40 DISTRICT
JEFFERSON	K111	PRECINCT 111 40 DISTRICT
JEFFERSON	K112	PRECINCT 112 40 DISTRICT
JEFFERSON	K113	PRECINCT 113 40 DISTRICT
JEFFERSON	K114	PRECINCT 114 40 DISTRICT
JEFFERSON	K116	PRECINCT 116 40 DISTRICT
JEFFERSON	K118	PRECINCT 118 40 DISTRICT
JEFFERSON	K122	PRECINCT 122 40 DISTRICT
JEFFERSON	K125	PRECINCT 125 40 DISTRICT
JEFFERSON	K129	PRECINCT 129 40 DISTRICT
JEFFERSON	L112	PRECINCT 112 41 DISTRICT
JEFFERSON	L127	PRECINCT 127 41 DISTRICT
JEFFERSON	L130	PRECINCT 130 41 DISTRICT
JEFFERSON	L131	PRECINCT 131 41 DISTRICT
JEFFERSON	M113	PRECINCT 113 42 DISTRICT
JEFFERSON	M114	PRECINCT 114 42 DISTRICT
JEFFERSON	M115	PRECINCT 115 42 DISTRICT
JEFFERSON	M120	PRECINCT 120 42 DISTRICT
JEFFERSON	M121	PRECINCT 121 42 DISTRICT
JEFFERSON	M123	PRECINCT 123 42 DISTRICT
JEFFERSON	M124	PRECINCT 124 42 DISTRICT
JEFFERSON	M125	PRECINCT 125 42 DISTRICT
JEFFERSON	M129	PRECINCT 129 42 DISTRICT
JEFFERSON	M130	PRECINCT 130 42 DISTRICT
JEFFERSON	M131	PRECINCT 131 42 DISTRICT

JEFFERSON	***M136***	***PRECINCT 136 42 DISTRICT***
JEFFERSON	***Q107***	***PRECINCT 107 46 DISTRICT***
JEFFERSON	***Q122***	***PRECINCT 122 46 DISTRICT***
JEFFERSON	***Q123***	***PRECINCT 123 46 DISTRICT***
JEFFERSON	***Q124***	***PRECINCT 124 46 DISTRICT***
JEFFERSON	***Q127***	***PRECINCT 127 46 DISTRICT***

SECTION 136. KRS 5.136 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-sixth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	***PREC***	***SEC***	***NAME***	***TRACT***	***BLCK***	***SECT***
JEFFERSON	***D123***		***PRECINCT 123 31 DISTRICT***			
JEFFERSON	***D124***		***PRECINCT 124 31 DISTRICT***			
JEFFERSON	***D128***		***PRECINCT 128 31 DISTRICT***			
JEFFERSON	***D133***		***PRECINCT 133 31 DISTRICT***			
JEFFERSON	***E103***		***PRECINCT 103 32 DISTRICT***			
JEFFERSON	***E104***		***PRECINCT 104 32 DISTRICT***			
JEFFERSON	***E105***		***PRECINCT 105 32 DISTRICT***			
JEFFERSON	***E107***		***PRECINCT 107 32 DISTRICT***			
JEFFERSON	***E141***		***PRECINCT 141 32 DISTRICT***			
JEFFERSON	***E142***		***PRECINCT 142 32 DISTRICT***			
JEFFERSON	***E144***		***PRECINCT 144 32 DISTRICT***			
JEFFERSON	***E145***		***PRECINCT 145 32 DISTRICT***			
JEFFERSON	***E146***		***PRECINCT 146 32 DISTRICT***			
JEFFERSON	***E147***		***PRECINCT 147 32 DISTRICT***			
JEFFERSON	***E148***		***PRECINCT 148 32 DISTRICT***			
JEFFERSON	***E149***		***PRECINCT 149 32 DISTRICT***			
JEFFERSON	***E150***		***PRECINCT 150 32 DISTRICT***			
JEFFERSON	***E151***		***PRECINCT 151 32 DISTRICT***			
JEFFERSON	***E153***		***PRECINCT 153 32 DISTRICT***			
JEFFERSON	***E154***		***PRECINCT 154 32 DISTRICT***			
JEFFERSON	***E155***		***PRECINCT 155 32 DISTRICT***			
JEFFERSON	***E157***		***PRECINCT 157 32 DISTRICT***			
JEFFERSON	***F103***		***PRECINCT 103 33 DISTRICT***			
JEFFERSON	***F106***		***PRECINCT 106 33 DISTRICT***			
JEFFERSON	***F108***		***PRECINCT 108 33 DISTRICT***			
JEFFERSON	***F109***		***PRECINCT 109 33 DISTRICT***			
JEFFERSON	***F110***		***PRECINCT 110 33 DISTRICT***			
JEFFERSON	***F111***		***PRECINCT 111 33 DISTRICT***			
JEFFERSON	***F126***		***PRECINCT 126 33 DISTRICT***			
JEFFERSON	***F134***		***PRECINCT 134 33 DISTRICT***			
JEFFERSON	***F137***		***PRECINCT 137 33 DISTRICT***			
JEFFERSON	***F138***		***PRECINCT 138 33 DIST***			
JEFFERSON	***F144***		***PRECINCT 144 33 DISTRICT***			
JEFFERSON	***F145***		***PRECINCT 145 33 DISTRICT***			
JEFFERSON	***G138***		***PRECINCT 138 34 DISTRICT***			
JEFFERSON	***G139***		***PRECINCT 139 34 DISTRICT***			
JEFFERSON	***L118***		***PRECINCT 118 41 DISTRICT***			
JEFFERSON	***L132***		***PRECINCT 132 41 DISTRICT***			
JEFFERSON	***R111***		***PRECINCT 111 47 DISTRICT***			

JEFFERSON	R112	PRECINCT 112 47 DISTRICT
JEFFERSON	R113	PRECINCT 113 47 DISTRICT
JEFFERSON	R114	PRECINCT 114 47 DISTRICT
JEFFERSON	R115	PRECINCT 115 47 DISTRICT
JEFFERSON	R116	PRECINCT 116 47 DISTRICT
JEFFERSON	R117	PRECINCT 117 47 DISTRICT
JEFFERSON	R118	PRECINCT 118 47 DISTRICT
JEFFERSON	R119	PRECINCT 119 47 DISTRICT
JEFFERSON	R120	PRECINCT 120 47 DISTRICT
JEFFERSON	R121	PRECINCT 121 47 DISTRICT
JEFFERSON	R122	PRECINCT 122 47 DISTRICT
JEFFERSON	R123	PRECINCT 123 47 DISTRICT
JEFFERSON	R124	PRECINCT 124 47 DISTRICT
JEFFERSON	R125	PRECINCT 125 47 DISTRICT
JEFFERSON	R126	PRECINCT 126 47 DISTRICT
JEFFERSON	R127	PRECINCT 127 47 DISTRICT
JEFFERSON	R128	PRECINCT 128 47 DISTRICT
JEFFERSON	R130	PRECINCT 130 47 DISTRICT
JEFFERSON	R132	PRECINCT 132 47 DISTRICT
JEFFERSON	R133	PRECINCT 133 47 DISTRICT
JEFFERSON	R134	PRECINCT 134 47 DISTRICT
JEFFERSON	R135	PRECINCT 135 47 DISTRICT
JEFFERSON	R136	PRECINCT 136 47 DISTRICT
JEFFERSON	R137	PRECINCT 137 47 DISTRICT
JEFFERSON	R138	PRECINCT 138 47 DISTRICT
JEFFERSON	R140	PRECINCT 140 47 DISTRICT
JEFFERSON	R141	PRECINCT 141 47 DISTRICT
JEFFERSON	R142	PRECINCT 142 47 DIST
JEFFERSON	R143	PRECINCT 143 47 DIST
JEFFERSON	R144	PRECINCT 144 47 DIST
JEFFERSON	R145	PRECINCT 134 47 DISTRICT
JEFFERSON	S101	PRECINCT 101 48 DISTRICT
JEFFERSON	S102	PRECINCT 102 48 DISTRICT
JEFFERSON	S119	PRECINCT 119 48 DISTRICT
JEFFERSON	S120	PRECINCT 120 48 DISTRICT
JEFFERSON	S121	PRECINCT 121 48 DISTRICT
JEFFERSON	S122	PRECINCT 122 48 DISTRICT
JEFFERSON	S133	PRECINCT 133 48 DISTRICT
JEFFERSON	S134	PRECINCT 134 48 DISTRICT
JEFFERSON	S135	PRECINCT 135 48 DISTRICT
JEFFERSON	S138	PRECINCT 138 48 DISTRICT
JEFFERSON	S142	PRECINCT 142 48 DISTRICT
JEFFERSON	T101	PRECINCT 101 59 DISTRICT
JEFFERSON	T102	PRECINCT 102 59 DISTRICT

SECTION 137. KRS 5.137 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-seventh Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
JEFFERSON	*A105*		*PRECINCT 105 28 DISTRICT*			
JEFFERSON	*A107*		*PRECINCT 107 28 DISTRICT*			
JEFFERSON	*A108*		*PRECINCT 108 28 DISTRICT*			
JEFFERSON	*A111*		*PRECINCT 111 28 DISTRICT*			
JEFFERSON	*A113*		*PRECINCT 113 28 DISTRICT*			
JEFFERSON	*A114*		*PRECINCT 114 28 DISTRICT*			
JEFFERSON	*A115*		*PRECINCT 115 28 DISTRICT*			
JEFFERSON	*A118*		*PRECINCT 118 28 DISTRICT*			
JEFFERSON	*A123*		*PRECINCT 123 28 DISTRICT*			
JEFFERSON	*A125*		*PRECINCT 125 28 DISTRICT*			
JEFFERSON	*A126*		*PRECINCT 126 28 DISTRICT*			
JEFFERSON	*A127*		*PRECINCT 127 28 DISTRICT*			
JEFFERSON	*A128*		*PRECINCT 128 28 DISTRICT*			
JEFFERSON	*A131*		*PRECINCT 131 28 DISTRICT*			
JEFFERSON	*A133*		*PRECINCT 133 28 DISTRICT*			
JEFFERSON	*B138*		*PRECINCT 138 29 DISTRICT*			
JEFFERSON	*B139*		*PRECINCT 139 29 DISTRICT*			
JEFFERSON	*H124*		*PRECINCT 124 35 DISTRICT*			
JEFFERSON	*H125*		*PRECINCT 125 35 DISTRICT*			
JEFFERSON	*H134*		*PRECINCT 134 35 DISTRICT*			
JEFFERSON	*H140*		*PRECINCT 140 35 DISTRICT*			
JEFFERSON	*I105*		*PRECINCT 105 37 DISTRICT*			
JEFFERSON	*I106*		*PRECINCT 106 37 DISTRICT*			
JEFFERSON	*I107*		*PRECINCT 107 37 DISTRICT*			
JEFFERSON	*I109*		*PRECINCT 109 37 DISTRICT*			
JEFFERSON	*I110*		*PRECINCT 110 37 DISTRICT*			
JEFFERSON	*I111*		*PRECINCT 111 37 DISTRICT*			
JEFFERSON	*I112*		*PRECINCT 112 37 DISTRICT*			
JEFFERSON	*I114*		*PRECINCT 114 37 DISTRICT*			
JEFFERSON	*I115*		*PRECINCT 115 37 DISTRICT*			
JEFFERSON	*I117*		*PRECINCT 117 37 DISTRICT*			
JEFFERSON	*I120*		*PRECINCT 120 37 DISTRICT*			
JEFFERSON	*I122*		*PRECINCT 122 37 DISTRICT*			
JEFFERSON	*J105*		*PRECINCT 105 38 DISTRICT*			
JEFFERSON	*J108*		*PRECINCT 108 38 DISTRICT*			
JEFFERSON	*J110*		*PRECINCT 110 38 DISTRICT*			
JEFFERSON	*J111*		*PRECINCT 111 38 DISTRICT*			
JEFFERSON	*J113*		*PRECINCT 113 38 DISTRICT*			
JEFFERSON	*J117*		*PRECINCT 117 38 DISTRICT*			
JEFFERSON	*J119*		*PRECINCT 119 38 DISTRICT*			
JEFFERSON	*J120*		*PRECINCT 120 38 DISTRICT*			
JEFFERSON	*J122*		*PRECINCT 122 38 DISTRICT*			
JEFFERSON	*J127*		*PRECINCT 127 38 DISTRICT*			
JEFFERSON	*J128*		*PRECINCT 128 38 DISTRICT*			
JEFFERSON	*J129*		*PRECINCT 129 38 DISTRICT*			

JEFFERSON	*J131*	*PRECINCT 131 38 DISTRICT*
JEFFERSON	*J135*	*PRECINCT 135 38 DISTRICT*
JEFFERSON	*K117*	*PRECINCT 117 40 DISTRICT*
JEFFERSON	*K119*	*PRECINCT 119 40 DISTRICT*
JEFFERSON	*K126*	*PRECINCT 126 40 DISTRICT*
JEFFERSON	*K127*	*PRECINCT 127 40 DISTRICT*
JEFFERSON	*K128*	*PRECINCT 128 40 DISTRICT*
JEFFERSON	*K132*	*PRECINCT 132 40 DISTRICT*
JEFFERSON	*O112*	*PRECINCT 112 44 DISTRICT*
JEFFERSON	*O114*	*PRECINCT 114 44 DISTRICT*
JEFFERSON	*O115*	*PRECINCT 115 44 DISTRICT*
JEFFERSON	*O124*	*PRECINCT 124 44 DISTRICT*
JEFFERSON	*O127*	*PRECINCT 127 44 DISTRICT*
JEFFERSON	*O128*	*PRECINCT 128 44 DISTRICT*
JEFFERSON	*O129*	*PRECINCT 129 44 DISTRICT*
JEFFERSON	*O130*	*PRECINCT 130 44 DISTRICT*
JEFFERSON	*O131*	*PRECINCT 131 44 DISTRICT*
JEFFERSON	*O132*	*PRECINCT 132 44 DISTRICT*
JEFFERSON	*Q101*	*PRECINCT 101 46 DISTRICT*
JEFFERSON	*Q103*	*PRECINCT 103 46 DISTRICT*
JEFFERSON	*Q104*	*PRECINCT 104 46 DISTRICT*
JEFFERSON	*Q105*	*PRECINCT 105 46 DISTRICT*
JEFFERSON	*Q109*	*PRECINCT 109 46 DISTRICT*

SECTION 138. KRS 5.138 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-eighth Senatorial District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
JEFFERSON	*A124*		*PRECINCT 124 28 DISTRICT*			
JEFFERSON	*B117*		*PRECINCT 117 29 DISTRICT*			
JEFFERSON	*B119*		*PRECINCT 119 29 DISTRICT*			
JEFFERSON	*B120*		*PRECINCT 120 29 DISTRICT*			
JEFFERSON	*B121*		*PRECINCT 121 29 DISTRICT*			
JEFFERSON	*B124*		*PRECINCT 124 29 DISTRICT*			
JEFFERSON	*B125*		*PRECINCT 125 29 DISTRICT*			
JEFFERSON	*B126*		*PRECINCT 126 29 DISTRICT*			
JEFFERSON	*B127*		*PRECINCT 127 29 DISTRICT*			
JEFFERSON	*B128*		*PRECINCT 128 29 DISTRICT*			
JEFFERSON	*B129*		*PRECINCT 129 29 DISTRICT*			
JEFFERSON	*B130*		*PRECINCT 130 29 DISTRICT*			
JEFFERSON	*B131*		*PRECINCT 131 29 DISTRICT*			
JEFFERSON	*B132*		*PRECINCT 132 29 DISTRICT*			
JEFFERSON	*B133*		*PRECINCT 133 29 DISTRICT*			
JEFFERSON	*B134*		*PRECINCT 134 29 DISTRICT*			
JEFFERSON	*B141*		*PRECINCT 141 29 DISTRICT*			
JEFFERSON	*B143*		*PRECINCT 143 29 DISTRICT*			
JEFFERSON	*B146*		*PRECINCT 146 29 DISTRICT*			
JEFFERSON	*B147*		*PRECINCT 147 29 DISTRICT*			
JEFFERSON	*B148*		*PRECINCT 148 29 DISTRICT*			
JEFFERSON	*B149*		*PRECINCT 149 29 DIST*			

JEFFERSON	B150	PRECINCT 150 29 DISTRICT
JEFFERSON	D121	PRECINCT 121 31 DISTRICT
JEFFERSON	D126	PRECINCT 126 31 DISTRICT
JEFFERSON	D127	PRECINCT 127 31 DISTRICT
JEFFERSON	D137	PRECINCT 137 31 DIST
JEFFERSON	F112	PRECINCT 112 33 DISTRICT
JEFFERSON	F113	PRECINCT 113 33 DISTRICT
JEFFERSON	F116	PRECINCT 116 33 DISTRICT
JEFFERSON	F117	PRECINCT 117 33 DISTRICT
JEFFERSON	F127	PRECINCT 127 33 DISTRICT
JEFFERSON	F128	PRECINCT 128 33 DISTRICT
JEFFERSON	F129	PRECINCT 129 33 DISTRICT
JEFFERSON	F130	PRECINCT 130 33 DISTRICT
JEFFERSON	F131	PRECINCT 131 33 DISTRICT
JEFFERSON	F132	PRECINCT 132 33 DISTRICT
JEFFERSON	F133	PRECINCT 133 33 DISTRICT
JEFFERSON	F139	PRECINCT 139 33 DIST
JEFFERSON	F141	PRECINCT 141 33 DIST
JEFFERSON	F143	PRECINCT 143 33 DISTRICT
JEFFERSON	F146	PRECINCT 146 33 DISTRICT
JEFFERSON	F147	PRECINCT 147 33 DISTRICT
JEFFERSON	H136	PRECINCT 136 35 DISTRICT
JEFFERSON	H138	PRECINCT 138 35 DISTRICT
JEFFERSON	H143	PRECINCT 143 35 DISTRICT
JEFFERSON	I123	PRECINCT 123 37 DISTRICT
JEFFERSON	I124	PRECINCT 124 37 DISTRICT
JEFFERSON	I125	PRECINCT 125 37 DISTRICT
JEFFERSON	I126	PRECINCT 126 37 DISTRICT
JEFFERSON	I129	PRECINCT 129 37 DISTRICT
JEFFERSON	I130	PRECINCT 130 37 DISTRICT
JEFFERSON	I133	PRECINCT 133 37 DISTRICT
JEFFERSON	I134	PRECINCT 134 37 DISTRICT
JEFFERSON	I135	PRECINCT 135 37 DISTRICT
JEFFERSON	J114	PRECINCT 114 38 DISTRICT
JEFFERSON	J123	PRECINCT 123 38 DISTRICT
JEFFERSON	J136	PRECINCT 136 38 DISTRICT
JEFFERSON	Q112	PRECINCT 112 46 DISTRICT
JEFFERSON	Q113	PRECINCT 113 46 DISTRICT
JEFFERSON	Q114	PRECINCT 114 46 DISTRICT
JEFFERSON	Q115	PRECINCT 115 46 DISTRICT
JEFFERSON	Q116	PRECINCT 116 46 DISTRICT
JEFFERSON	Q117	PRECINCT 117 46 DISTRICT
JEFFERSON	Q118	PRECINCT 118 46 DISTRICT
JEFFERSON	Q119	PRECINCT 119 46 DISTRICT
JEFFERSON	Q120	PRECINCT 120 46 DISTRICT
JEFFERSON	Q125	PRECINCT 125 46 DISTRICT
JEFFERSON	Q126	PRECINCT 126 46 DIST

SECTION 139. KRS 118B.110 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The First Congressional District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
ADAIR						
ALLEN						
BALLARD						
BUTLER						
CALDWELL						
CALLOWAY						
CARLISLE						
CASEY						
CHRISTIAN						
CLINTON						
CRITTENDEN						
CUMBERLAND						
FULTON						
GRAVES						
HENDERSON						
HICKMAN						
HOPKINS						
LINCOLN	*C102*		*WAYNESBURG #2*			
LINCOLN	*C103*		*KINGS MOUNTAIN*			
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2010*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2011*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2012*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2013*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2014*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2015*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2016*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2017*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2018*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2019*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2020*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2021*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2022*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2023*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2024*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2025*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2026*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2027*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2028*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2029*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2030*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2031*	
LINCOLN	*D101*		*HUSTONVILLE*	*980200*	*2032*	

LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2033*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2034*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2035*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2036*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2037*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2038*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2039*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2040*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2041*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2042*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2043*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2044*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2045*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2046*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2047*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2048*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2049*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2050*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2051*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2052*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2053*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2054*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2055*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2056*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2057*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2058*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2059*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2060*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2061*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2062*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2063*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2064*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2065*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*2066*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3042*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3043*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3044*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3045*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3046*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3047*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3048*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3049*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3050*
LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3051*

LINCOLN	*D101*	*HUSTONVILLE*	*980200*	*3054*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3013*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3014*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3015*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3021*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3022*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3036*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3037*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3038*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3039*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3040*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3041*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3052*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3053*
LINCOLN	*D102*	*MCKINNEY*	*980200*	*3055*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2014*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2015*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2016*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2017*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2018*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2019*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2020*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2021*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2022*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2023*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2024*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2025*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2048*
LINCOLN	*D102*	*MCKINNEY*	*980300*	*2049*
LINCOLN	*D103*	*MORELAND*	*980200*	*1002*
LINCOLN	*D103*	*MORELAND*	*980200*	*1003*
LINCOLN	*D103*	*MORELAND*	*980200*	*1004*
LINCOLN	*D103*	*MORELAND*	*980200*	*1005*
LINCOLN	*D103*	*MORELAND*	*980200*	*1006*
LINCOLN	*D103*	*MORELAND*	*980200*	*1007*
LINCOLN	*D103*	*MORELAND*	*980200*	*1008*
LINCOLN	*D103*	*MORELAND*	*980200*	*1009*
LINCOLN	*D103*	*MORELAND*	*980200*	*1010*
LINCOLN	*D103*	*MORELAND*	*980200*	*1011*
LINCOLN	*D103*	*MORELAND*	*980200*	*1012*
LINCOLN	*D103*	*MORELAND*	*980200*	*1013*
LINCOLN	*D103*	*MORELAND*	*980200*	*1014*
LINCOLN	*D103*	*MORELAND*	*980200*	*1015*
LINCOLN	*D103*	*MORELAND*	*980200*	*1016*
LINCOLN	*D103*	*MORELAND*	*980200*	*1017*
LINCOLN	*D103*	*MORELAND*	*980200*	*1018*

LINCOLN	D103	MORELAND	980200	1021
LINCOLN	D103	MORELAND	980200	1022
LINCOLN	D103	MORELAND	980200	1027
LINCOLN	D103	MORELAND	980200	1028
LINCOLN	D103	MORELAND	980200	1029
LINCOLN	D103	MORELAND	980200	1030
LINCOLN	D103	MORELAND	980200	1031
LINCOLN	D103	MORELAND	980200	1032
LINCOLN	D103	MORELAND	980200	1033
LINCOLN	D103	MORELAND	980200	1034
LINCOLN	D103	MORELAND	980200	1035
LINCOLN	D103	MORELAND	980200	1036
LINCOLN	D103	MORELAND	980200	1037
LINCOLN	D103	MORELAND	980200	1038
LINCOLN	D103	MORELAND	980200	1039
LINCOLN	D103	MORELAND	980200	1040
LINCOLN	D103	MORELAND	980200	1041
LINCOLN	D103	MORELAND	980200	1042
LINCOLN	D103	MORELAND	980200	1043
LINCOLN	D103	MORELAND	980200	1044
LINCOLN	D103	MORELAND	980200	1045
LINCOLN	D103	MORELAND	980200	1046
LINCOLN	D103	MORELAND	980200	1047
LINCOLN	D103	MORELAND	980200	1048
LINCOLN	D103	MORELAND	980200	1049
LINCOLN	D103	MORELAND	980200	1050
LINCOLN	D103	MORELAND	980200	1051
LINCOLN	D103	MORELAND	980200	1052
LINCOLN	D103	MORELAND	980200	1053
LINCOLN	D103	MORELAND	980200	1054
LINCOLN	D103	MORELAND	980200	1055
LINCOLN	D103	MORELAND	980200	1056
LINCOLN	D103	MORELAND	980200	1057
LINCOLN	D103	MORELAND	980200	1058
LINCOLN	D103	MORELAND	980200	1059
LINCOLN	D103	MORELAND	980200	1060
LINCOLN	D103	MORELAND	980200	1061
LINCOLN	D103	MORELAND	980200	1062
LINCOLN	D103	MORELAND	980200	1063
LINCOLN	D103	MORELAND	980200	1064
LINCOLN	D103	MORELAND	980200	1065
LINCOLN	D103	MORELAND	980200	1066
LINCOLN	D103	MORELAND	980200	1067
LINCOLN	D103	MORELAND	980200	1068
LINCOLN	D103	MORELAND	980200	1069
LINCOLN	D103	MORELAND	980200	1070
LIVINGSTON				
LOGAN				
LYON				

MARSHALL					
MCCRACKEN					
MCLEAN					
METCALFE					
MONROE					
MUHLENBERG					
OHIO	*A101*	*E HARTFORD*			
OHIO	*A102*	*W HARTFORD*			
OHIO	*A104*	*HARTFORD #21*	*980300*	*1046*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*2000*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*2003*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4002*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4003*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4021*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4022*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4023*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4024*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4025*	*0202*
OHIO	*A104*	*HARTFORD #21*	*980300*	*4027*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4028*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4030*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*4031*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4032*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4033*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4034*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4035*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*4039*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*4040*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*2001*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*3000*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*3001*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*4011*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*4012*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*4013*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*4016*	
OHIO	*A104*	*HARTFORD #21*	*980600*	*1001*	*0203*
OHIO	*A104*	*HARTFORD #21*	*980600*	*1002*	*0202*
OHIO	*A104*	*HARTFORD #21*	*980700*	*1124*	
OHIO	*A104*	*HARTFORD #21*	*980700*	*1125*	
OHIO	*B101*	*E. BEAVER DAM*			
OHIO	*B102*	*W. BEAVER DAM*			
OHIO	*B103*	*BEAVER DAM #20*	*980300*	*4025*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980300*	*4026*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*1009*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*1010*	

OHIO	*B103*	*BEAVER DAM #20*	*980500*	*1011*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*1012*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*1052*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2002*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2003*	*0103*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2003*	*0203*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2004*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2009*	*0103*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2011*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2023*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2025*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2026*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*2027*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3003*	*0103*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3003*	*0203*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3004*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3006*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3011*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3014*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3016*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3021*	*0103*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3022*	*0104*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3023*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3028*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3029*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3038*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3051*	*0203*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3052*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3053*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*3055*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4014*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4015*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4018*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4019*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4020*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4021*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4022*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4023*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4024*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4025*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4029*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4039*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4040*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4041*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4042*	

OHIO	B103	BEAVER DAM #20	980500	4043	
OHIO	B103	BEAVER DAM #20	980500	4044	
OHIO	B103	BEAVER DAM #20	980500	4045	
OHIO	B103	BEAVER DAM #20	980500	4046	
OHIO	B103	BEAVER DAM #20	980500	4047	
OHIO	B103	BEAVER DAM #20	980500	4048	
OHIO	B103	BEAVER DAM #20	980500	4049	
OHIO	B103	BEAVER DAM #20	980500	4050	
OHIO	B103	BEAVER DAM #20	980500	4051	
OHIO	B103	BEAVER DAM #20	980500	4052	
OHIO	B103	BEAVER DAM #20	980500	4053	
OHIO	B103	BEAVER DAM #20	980500	4054	
OHIO	B103	BEAVER DAM #20	980500	4055	
OHIO	B103	BEAVER DAM #20	980500	4056	
OHIO	B103	BEAVER DAM #20	980500	4057	
OHIO	B103	BEAVER DAM #20	980500	4058	
OHIO	B103	BEAVER DAM #20	980500	4059	
OHIO	B103	BEAVER DAM #20	980500	4060	
OHIO	B103	BEAVER DAM #20	980500	4061	
OHIO	B103	BEAVER DAM #20	980500	4062	0102
OHIO	B103	BEAVER DAM #20	980500	4064	0102
OHIO	B103	BEAVER DAM #20	980500	4065	0102
OHIO	B103	BEAVER DAM #20	980500	4067	0202
OHIO	B103	BEAVER DAM #20	980500	4068	0102
OHIO	B103	BEAVER DAM #20	980500	4069	
OHIO	B103	BEAVER DAM #20	980500	4070	0303
OHIO	B103	BEAVER DAM #20	980500	4072	
OHIO	B103	BEAVER DAM #20	980500	4073	0102
OHIO	B103	BEAVER DAM #20	980500	4074	
OHIO	B103	BEAVER DAM #20	980500	5013	0202
OHIO	B103	BEAVER DAM #20	980500	5014	0202
OHIO	B103	BEAVER DAM #20	980500	5015	
OHIO	B103	BEAVER DAM #20	980500	5016	
OHIO	B103	BEAVER DAM #20	980500	5017	
OHIO	B103	BEAVER DAM #20	980500	5019	0102
OHIO	B103	BEAVER DAM #20	980500	5020	0102
OHIO	B103	BEAVER DAM #20	980600	1000	0202
OHIO	B103	BEAVER DAM #20	980600	1001	0103
OHIO	B103	BEAVER DAM #20	980600	1014	0202
OHIO	B103	BEAVER DAM #20	980600	1015	
OHIO	B103	BEAVER DAM #20	980600	1016	0102
OHIO	B103	BEAVER DAM #20	980600	1042	0102
OHIO	B104	N BEAVER DAM			
OHIO	C101	ROCKPORT			
OHIO	C102	MCHENRY			

OHIO	*C104*		*N. CENTERTOWN*			
OHIO	*C105*		*S. CENTERTOWN*			
OHIO	*E101*		*CROMWELL*			
OHIO	*E105*		*COOL SPRINGS*			
RUSSELL						
SIMPSON						
TODD						
TRIGG						
UNION						
WEBSTER						

SECTION 140. KRS 118B.120 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Second Congressional District shall consist of the following territory:

				---CENSUS---		
COUNTY	*PREC*	*SEC*	*NAME*	*TRACT*	*BLCK*	*SECT*
BARREN						
BRECKINRIDGE						
BULLITT						
DAVIESS						
EDMONSON						
GRAYSON						
GREEN						
HANCOCK						
HARDIN						
HART						
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*2004*	*0202*
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*2005*	
JEFFERSON	*A121*		*PRECINCT 121 28 DISTRICT*	*012104*	*2007*	
JEFFERSON	*A122*		*PRECINCT 122 28 DISTRICT*			
JEFFERSON	*A130*		*PRECINCT 130 28 DISTRICT*			
JEFFERSON	*A132*		*PRECINCT 132 28 DISTRICT*			
JEFFERSON	*B127*		*PRECINCT 127 29 DISTRICT*			
JEFFERSON	*B128*		*PRECINCT 128 29 DISTRICT*			
JEFFERSON	*B130*		*PRECINCT 130 29 DISTRICT*			
JEFFERSON	*B131*		*PRECINCT 131 29 DISTRICT*			
JEFFERSON	*B134*		*PRECINCT 134 29 DISTRICT*	*011703*	*3020*	
JEFFERSON	*B141*		*PRECINCT 141 29 DISTRICT*			
JEFFERSON	*B147*		*PRECINCT 147 29 DISTRICT*			
JEFFERSON	*B148*		*PRECINCT 148 29 DISTRICT*			
JEFFERSON	*B150*		*PRECINCT 150 29 DISTRICT*			
JEFFERSON	*H136*		*PRECINCT 136 35 DISTRICT*			
JEFFERSON	*H138*		*PRECINCT 138 35 DISTRICT*			
JEFFERSON	*H143*		*PRECINCT 143 35 DISTRICT*			
LARUE						
MARION						
MEADE						
NELSON						

OHIO	*A104*	*HARTFORD #21*	*980200*	*1031*	*0202*
OHIO	*A104*	*HARTFORD #21*	*980200*	*2054*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*1018*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*1020*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*1021*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1022*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1023*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1024*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1025*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1026*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*1027*	*0102*
OHIO	*A104*	*HARTFORD #21*	*980300*	*1035*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1036*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1038*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1039*	*0202*
OHIO	*A104*	*HARTFORD #21*	*980300*	*1041*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1042*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1043*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1044*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1045*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1047*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1048*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1049*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1050*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1051*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*1999*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*3000*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4000*	
OHIO	*A104*	*HARTFORD #21*	*980300*	*4001*	
OHIO	*A104*	*HARTFORD #21*	*980500*	*4010*	*0202*
OHIO	*A105*	*BUFORD*			
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4004*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4007*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4008*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4009*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4010*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4017*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4026*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4027*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4028*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4030*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4031*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4032*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4033*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4034*	*0102*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4036*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4037*	*0202*
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4038*	
OHIO	*B103*	*BEAVER DAM #20*	*980500*	*4075*	

OHIO	B103		BEAVER DAM #20	980500	4076	0102
OHIO	B103		BEAVER DAM #20	980500	4077	
OHIO	C103		BEDA			
OHIO	D101		FORDSVILLE			
OHIO	D102		DEANFIELD			
OHIO	D103		ELMITCH			
OHIO	D104		MAGAN			
OHIO	D106		DUNDEE			
OHIO	E102		HORSE BRANCH			
OHIO	E103		ROSINE			
OHIO	E104		OLATON			
SHELBY						
SPENCER						
TAYLOR						
WARREN						
WASHINGTON						

SECTION 141. KRS 118B.130 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Third Congressional District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	A105		PRECINCT 105 28 DISTRICT			
JEFFERSON	A107		PRECINCT 107 28 DISTRICT			
JEFFERSON	A108		PRECINCT 108 28 DISTRICT			
JEFFERSON	A111		PRECINCT 111 28 DISTRICT			
JEFFERSON	A113		PRECINCT 113 28 DISTRICT			
JEFFERSON	A114		PRECINCT 114 28 DISTRICT			
JEFFERSON	A115		PRECINCT 115 28 DISTRICT			
JEFFERSON	A117		PRECINCT 117 28 DISTRICT			
JEFFERSON	A118		PRECINCT 118 28 DISTRICT			
JEFFERSON	A119		PRECINCT 119 28 DISTRICT			
JEFFERSON	A120		PRECINCT 120 28 DISTRICT			
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1000	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1001	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1002	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1003	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1004	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1005	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1006	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1007	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1008	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1009	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1010	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1011	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1012	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	1013	

JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1014*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1015*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1016*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1017*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1018*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1019*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1020*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1021*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1022*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1023*	
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1024*	*0202*
JEFFERSON	*A121*	*PRECINCT 121 28 DISTRICT*	*012104*	*1999*	*0102*
JEFFERSON	*A123*	*PRECINCT 123 28 DISTRICT*			
JEFFERSON	*A124*	*PRECINCT 124 28 DISTRICT*			
JEFFERSON	*A125*	*PRECINCT 125 28 DISTRICT*			
JEFFERSON	*A126*	*PRECINCT 126 28 DISTRICT*			
JEFFERSON	*A127*	*PRECINCT 127 28 DISTRICT*			
JEFFERSON	*A128*	*PRECINCT 128 28 DISTRICT*			
JEFFERSON	*A129*	*PRECINCT 129 28 DISTRICT*			
JEFFERSON	*A131*	*PRECINCT 131 28 DISTRICT*			
JEFFERSON	*A133*	*PRECINCT 133 28 DISTRICT*			
JEFFERSON	*A134*	*PRECINCT 134 28 DISTRICT*			
JEFFERSON	*B117*	*PRECINCT 117 29 DISTRICT*			
JEFFERSON	*B119*	*PRECINCT 119 29 DISTRICT*			
JEFFERSON	*B120*	*PRECINCT 120 29 DISTRICT*			
JEFFERSON	*B121*	*PRECINCT 121 29 DISTRICT*			
JEFFERSON	*B124*	*PRECINCT 124 29 DISTRICT*			
JEFFERSON	*B125*	*PRECINCT 125 29 DISTRICT*			
JEFFERSON	*B126*	*PRECINCT 126 29 DISTRICT*			
JEFFERSON	*B129*	*PRECINCT 129 29 DISTRICT*			
JEFFERSON	*B132*	*PRECINCT 132 29 DISTRICT*			
JEFFERSON	*B133*	*PRECINCT 133 29 DISTRICT*			
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*1003*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*2012*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*2013*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3000*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3001*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3002*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3007*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3008*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3009*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3010*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3015*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3016*	
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3017*	

JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3018*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3019*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3021*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3022*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3023*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3025*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3026*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3027*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3028*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3029*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3030*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3997*
JEFFERSON	*B134*	*PRECINCT 134 29 DISTRICT*	*011703*	*3998*
JEFFERSON	*B138*	*PRECINCT 138 29 DISTRICT*		
JEFFERSON	*B139*	*PRECINCT 139 29 DISTRICT*		
JEFFERSON	*B143*	*PRECINCT 143 29 DISTRICT*		
JEFFERSON	*B146*	*PRECINCT 146 29 DISTRICT*		
JEFFERSON	*B149*	*PRECINCT 149 29 DIST*		
JEFFERSON	*C101*	*PRECINCT 101 30 DISTRICT*		
JEFFERSON	*C102*	*PRECINCT 102 30 DISTRICT*		
JEFFERSON	*C103*	*PRECINCT 103 30 DISTRICT*		
JEFFERSON	*C104*	*PRECINCT 104 30 DISTRICT*		
JEFFERSON	*C105*	*PRECINCT 105 30 DISTRICT*		
JEFFERSON	*C106*	*PRECINCT 106 30 DISTRICT*		
JEFFERSON	*C108*	*PRECINCT 108 30 DISTRICT*		
JEFFERSON	*C109*	*PRECINCT 109 30 DISTRICT*		
JEFFERSON	*C110*	*PRECINCT 110 30 DISTRICT*		
JEFFERSON	*C111*	*PRECINCT 111 30 DISTRICT*		
JEFFERSON	*C113*	*PRECINCT 113 30 DISTRICT*		
JEFFERSON	*C115*	*PRECINCT 115 30 DISTRICT*		
JEFFERSON	*C121*	*PRECINCT 121 30 DISTRICT*		
JEFFERSON	*C122*	*PRECINCT 122 30 DISTRICT*		
JEFFERSON	*C123*	*PRECINCT 123 30 DISTRICT*		
JEFFERSON	*C124*	*PRECINCT 124 30 DISTRICT*		
JEFFERSON	*C125*	*PRECINCT 125 30 DISTRICT*		
JEFFERSON	*C126*	*PRECINCT 126 30 DISTRICT*		
JEFFERSON	*C127*	*PRECINCT 127 30 DISTRICT*		
JEFFERSON	*C128*	*PRECINCT 128 30 DISTRICT*		
JEFFERSON	*C129*	*PRECINCT 129 30 DISTRICT*		
JEFFERSON	*C130*	*PRECINCT 130 30 DISTRICT*		
JEFFERSON	*C131*	*PRECINCT 131 30 DISTRICT*		
JEFFERSON	*D101*	*PRECINCT 101 31 DISTRICT*		
JEFFERSON	*D104*	*PRECINCT 104 31 DISTRICT*		
JEFFERSON	*D105*	*PRECINCT 105 31 DISTRICT*		
JEFFERSON	*D106*	*PRECINCT 106 31 DISTRICT*		

JEFFERSON	*D108*	*PRECINCT 108 31 DISTRICT*
JEFFERSON	*D109*	*PRECINCT 109 31 DISTRICT*
JEFFERSON	*D110*	*PRECINCT 110 31 DISTRICT*
JEFFERSON	*D113*	*PRECINCT 113 31 DISTRICT*
JEFFERSON	*D114*	*PRECINCT 114 31 DISTRICT*
JEFFERSON	*D115*	*PRECINCT 115 31 DISTRICT*
JEFFERSON	*D116*	*PRECINCT 116 31 DISTRICT*
JEFFERSON	*D117*	*PRECINCT 117 31 DISTRICT*
JEFFERSON	*D120*	*PRECINCT 120 31 DISTRICT*
JEFFERSON	*D121*	*PRECINCT 121 31 DISTRICT*
JEFFERSON	*D122*	*PRECINCT 122 31 DISTRICT*
JEFFERSON	*D123*	*PRECINCT 123 31 DISTRICT*
JEFFERSON	*D124*	*PRECINCT 124 31 DISTRICT*
JEFFERSON	*D126*	*PRECINCT 126 31 DISTRICT*
JEFFERSON	*D127*	*PRECINCT 127 31 DISTRICT*
JEFFERSON	*D128*	*PRECINCT 128 31 DISTRICT*
JEFFERSON	*D129*	*PRECINCT 129 31 DISTRICT*
JEFFERSON	*D130*	*PRECINCT 130 31 DISTRICT*
JEFFERSON	*D131*	*PRECINCT 131 31 DISTRICT*
JEFFERSON	*D132*	*PRECINCT 132 31 DISTRICT*
JEFFERSON	*D133*	*PRECINCT 133 31 DISTRICT*
JEFFERSON	*D134*	*PRECINCT 134 31 DISTRICT*
JEFFERSON	*D135*	*PRECINCT 135 31 DIST*
JEFFERSON	*D136*	*PRECINCT 136 31 DIST*
JEFFERSON	*D137*	*PRECINCT 137 31 DIST*
JEFFERSON	*D138*	*PRECINCT 138 31 DIST*
JEFFERSON	*D139*	*PRECINCT 139 31 DISTRICT*
JEFFERSON	*E103*	*PRECINCT 103 32 DISTRICT*
JEFFERSON	*E104*	*PRECINCT 104 32 DISTRICT*
JEFFERSON	*E105*	*PRECINCT 105 32 DISTRICT*
JEFFERSON	*E107*	*PRECINCT 107 32 DISTRICT*
JEFFERSON	*E110*	*PRECINCT 110 32 DISTRICT*
JEFFERSON	*E111*	*PRECINCT 111 32 DISTRICT*
JEFFERSON	*E112*	*PRECINCT 112 32 DISTRICT*
JEFFERSON	*E114*	*PRECINCT 114 32 DISTRICT*
JEFFERSON	*E116*	*PRECINCT 116 32 DISTRICT*
JEFFERSON	*E118*	*PRECINCT 118 32 DISTRICT*
JEFFERSON	*E119*	*PRECINCT 119 32 DISTRICT*
JEFFERSON	*E120*	*PRECINCT 120 32 DISTRICT*
JEFFERSON	*E126*	*PRECINCT 126 32 DISTRICT*
JEFFERSON	*E130*	*PRECINCT 130 32 DISTRICT*
JEFFERSON	*E138*	*PRECINCT 138 32 DISTRICT*
JEFFERSON	*E139*	*PRECINCT 139 32 DISTRICT*
JEFFERSON	*E140*	*PRECINCT 140 32 DISTRICT*
JEFFERSON	*E141*	*PRECINCT 141 32 DISTRICT*

JEFFERSON	***E142***	***PRECINCT 142 32 DISTRICT***
JEFFERSON	***E143***	***PRECINCT 143 32 DISTRICT***
JEFFERSON	***E144***	***PRECINCT 144 32 DISTRICT***
JEFFERSON	***E145***	***PRECINCT 145 32 DISTRICT***
JEFFERSON	***E146***	***PRECINCT 146 32 DISTRICT***
JEFFERSON	***E147***	***PRECINCT 147 32 DISTRICT***
JEFFERSON	***E148***	***PRECINCT 148 32 DISTRICT***
JEFFERSON	***E149***	***PRECINCT 149 32 DISTRICT***
JEFFERSON	***E150***	***PRECINCT 150 32 DISTRICT***
JEFFERSON	***E151***	***PRECINCT 151 32 DISTRICT***
JEFFERSON	***E152***	***PRECINCT 152 32 DISTRICT***
JEFFERSON	***E153***	***PRECINCT 153 32 DISTRICT***
JEFFERSON	***E154***	***PRECINCT 154 32 DISTRICT***
JEFFERSON	***E155***	***PRECINCT 155 32 DISTRICT***
JEFFERSON	***E156***	***PRECINCT 156 32 DISTRICT***
JEFFERSON	***E157***	***PRECINCT 157 32 DISTRICT***
JEFFERSON	***F101***	***PRECINCT 101 33 DISTRICT***
JEFFERSON	***F103***	***PRECINCT 103 33 DISTRICT***
JEFFERSON	***F106***	***PRECINCT 106 33 DISTRICT***
JEFFERSON	***F108***	***PRECINCT 108 33 DISTRICT***
JEFFERSON	***F109***	***PRECINCT 109 33 DISTRICT***
JEFFERSON	***F110***	***PRECINCT 110 33 DISTRICT***
JEFFERSON	***F111***	***PRECINCT 111 33 DISTRICT***
JEFFERSON	***F112***	***PRECINCT 112 33 DISTRICT***
JEFFERSON	***F113***	***PRECINCT 113 33 DISTRICT***
JEFFERSON	***F116***	***PRECINCT 116 33 DISTRICT***
JEFFERSON	***F117***	***PRECINCT 117 33 DISTRICT***
JEFFERSON	***F118***	***PRECINCT 118 33 DISTRICT***
JEFFERSON	***F119***	***PRECINCT 119 33 DISTRICT***
JEFFERSON	***F120***	***PRECINCT 120 33 DISTRICT***
JEFFERSON	***F121***	***PRECINCT 121 33 DISTRICT***
JEFFERSON	***F122***	***PRECINCT 122 33 DISTRICT***
JEFFERSON	***F125***	***PRECINCT 125 33 DISTRICT***
JEFFERSON	***F126***	***PRECINCT 126 33 DISTRICT***
JEFFERSON	***F127***	***PRECINCT 127 33 DISTRICT***
JEFFERSON	***F128***	***PRECINCT 128 33 DISTRICT***
JEFFERSON	***F129***	***PRECINCT 129 33 DISTRICT***
JEFFERSON	***F130***	***PRECINCT 130 33 DISTRICT***
JEFFERSON	***F131***	***PRECINCT 131 33 DISTRICT***
JEFFERSON	***F132***	***PRECINCT 132 33 DISTRICT***
JEFFERSON	***F133***	***PRECINCT 133 33 DISTRICT***
JEFFERSON	***F134***	***PRECINCT 134 33 DISTRICT***
JEFFERSON	***F137***	***PRECINCT 137 33 DISTRICT***
JEFFERSON	***F138***	***PRECINCT 138 33 DIST***
JEFFERSON	***F139***	***PRECINCT 139 33 DIST***

JEFFERSON	F140	PRECINCT 140 33 DIST
JEFFERSON	F141	PRECINCT 141 33 DIST
JEFFERSON	F142	PRECINCT 142 33 DISTRICT
JEFFERSON	F143	PRECINCT 143 33 DISTRICT
JEFFERSON	F144	PRECINCT 144 33 DISTRICT
JEFFERSON	F145	PRECINCT 145 33 DISTRICT
JEFFERSON	F146	PRECINCT 146 33 DISTRICT
JEFFERSON	F147	PRECINCT 147 33 DISTRICT
JEFFERSON	G103	PRECINCT 103 34 DISTRICT
JEFFERSON	G104	PRECINCT 104 34 DISTRICT
JEFFERSON	G106	PRECINCT 106 34 DISTRICT
JEFFERSON	G107	PRECINCT 107 34 DISTRICT
JEFFERSON	G108	PRECINCT 108 34 DISTRICT
JEFFERSON	G109	PRECINCT 109 34 DISTRICT
JEFFERSON	G111	PRECINCT 111 34 DISTRICT
JEFFERSON	G112	PRECINCT 112 34 DISTRICT
JEFFERSON	G116	PRECINCT 116 34 DISTRICT
JEFFERSON	G117	PRECINCT 117 34 DISTRICT
JEFFERSON	G119	PRECINCT 119 34 DISTRICT
JEFFERSON	G120	PRECINCT 120 34 DISTRICT
JEFFERSON	G121	PRECINCT 121 34 DISTRICT
JEFFERSON	G122	PRECINCT 122 34 DISTRICT
JEFFERSON	G123	PRECINCT 123 34 DISTRICT
JEFFERSON	G124	PRECINCT 124 34 DISTRICT
JEFFERSON	G126	PRECINCT 126 34 DISTRICT
JEFFERSON	G129	PRECINCT 129 34 DISTRICT
JEFFERSON	G138	PRECINCT 138 34 DISTRICT
JEFFERSON	G139	PRECINCT 139 34 DISTRICT
JEFFERSON	G140	PRECINCT 140 34 DISTRICT
JEFFERSON	G141	PRECINCT 141 34 DISTRICT
JEFFERSON	G142	PRECINCT 142 34 DISTRICT
JEFFERSON	G143	PRECINCT 143 34 DISTRICT
JEFFERSON	G144	PRECINCT 144 34 DISTRICT
JEFFERSON	G145	PRECINCT 145 34 DISTRICT
JEFFERSON	G146	PRECINCT 146 34 DISTRICT
JEFFERSON	G147	PRECINCT 147 34 DISTRICT
JEFFERSON	G148	PRECINCT 148 34 DISTRICT
JEFFERSON	G149	PRECINCT 149 34 DISTRICT
JEFFERSON	G150	PRECINCT 150 34 DISTRICT
JEFFERSON	G151	PRECINCT 151 34 DISTRICT
JEFFERSON	G153	PRECINCT 153 34 DISTRICT
JEFFERSON	H102	PRECINCT 102 35 DISTRICT
JEFFERSON	H103	PRECINCT 103 35 DISTRICT
JEFFERSON	H105	PRECINCT 105 35 DISTRICT
JEFFERSON	H106	PRECINCT 106 35 DISTRICT
JEFFERSON	H109	PRECINCT 109 35 DISTRICT
JEFFERSON	H110	PRECINCT 110 35 DISTRICT
JEFFERSON	H111	PRECINCT 111 35 DISTRICT
JEFFERSON	H112	PRECINCT 112 35 DISTRICT

JEFFERSON	H113	PRECINCT 113 35 DISTRICT
JEFFERSON	H114	PRECINCT 114 35 DISTRICT
JEFFERSON	H115	PRECINCT 115 35 DISTRICT
JEFFERSON	H116	PRECINCT 116 35 DISTRICT
JEFFERSON	H117	PRECINCT 117 35 DISTRICT
JEFFERSON	H118	PRECINCT 118 35 DISTRICT
JEFFERSON	H120	PRECINCT 120 35 DISTRICT
JEFFERSON	H121	PRECINCT 121 35 DISTRICT
JEFFERSON	H123	PRECINCT 123 35 DISTRICT
JEFFERSON	H124	PRECINCT 124 35 DISTRICT
JEFFERSON	H125	PRECINCT 125 35 DISTRICT
JEFFERSON	H126	PRECINCT 126 35 DISTRICT
JEFFERSON	H127	PRECINCT 127 35 DISTRICT
JEFFERSON	H130	PRECINCT 130 35 DISTRICT
JEFFERSON	H131	PRECINCT 131 35 DISTRICT
JEFFERSON	H132	PRECINCT 132 35 DISTRICT
JEFFERSON	H133	PRECINCT 133 35 DISTRICT
JEFFERSON	H134	PRECINCT 134 35 DISTRICT
JEFFERSON	H140	PRECINCT 140 35 DISTRICT
JEFFERSON	H141	PRECINCT 141 35 DISTRICT
JEFFERSON	H142	PRECINCT 142 35 DISTRICT
JEFFERSON	I101	PRECINCT 101 37 DISTRICT
JEFFERSON	I103	PRECINCT 103 37 DISTRICT
JEFFERSON	I104	PRECINCT 104 37 DISTRICT
JEFFERSON	I105	PRECINCT 105 37 DISTRICT
JEFFERSON	I106	PRECINCT 106 37 DISTRICT
JEFFERSON	I107	PRECINCT 107 37 DISTRICT
JEFFERSON	I109	PRECINCT 109 37 DISTRICT
JEFFERSON	I110	PRECINCT 110 37 DISTRICT
JEFFERSON	I111	PRECINCT 111 37 DISTRICT
JEFFERSON	I112	PRECINCT 112 37 DISTRICT
JEFFERSON	I114	PRECINCT 114 37 DISTRICT
JEFFERSON	I115	PRECINCT 115 37 DISTRICT
JEFFERSON	I117	PRECINCT 117 37 DISTRICT
JEFFERSON	I120	PRECINCT 120 37 DISTRICT
JEFFERSON	I122	PRECINCT 122 37 DISTRICT
JEFFERSON	I123	PRECINCT 123 37 DISTRICT
JEFFERSON	I124	PRECINCT 124 37 DISTRICT
JEFFERSON	I125	PRECINCT 125 37 DISTRICT
JEFFERSON	I126	PRECINCT 126 37 DISTRICT
JEFFERSON	I127	PRECINCT 127 37 DISTRICT
JEFFERSON	I128	PRECINCT 128 37 DISTRICT
JEFFERSON	I129	PRECINCT 129 37 DISTRICT
JEFFERSON	I130	PRECINCT 130 37 DISTRICT

JEFFERSON	I133	PRECINCT 133 37 DISTRICT
JEFFERSON	I134	PRECINCT 134 37 DISTRICT
JEFFERSON	I135	PRECINCT 135 37 DISTRICT
JEFFERSON	J101	PRECINCT 101 38 DISTRICT
JEFFERSON	J104	PRECINCT 104 38 DISTRICT
JEFFERSON	J105	PRECINCT 105 38 DISTRICT
JEFFERSON	J107	PRECINCT 107 38 DISTRICT
JEFFERSON	J108	PRECINCT 108 38 DISTRICT
JEFFERSON	J110	PRECINCT 110 38 DISTRICT
JEFFERSON	J111	PRECINCT 111 38 DISTRICT
JEFFERSON	J113	PRECINCT 113 38 DISTRICT
JEFFERSON	J114	PRECINCT 114 38 DISTRICT
JEFFERSON	J117	PRECINCT 117 38 DISTRICT
JEFFERSON	J119	PRECINCT 119 38 DISTRICT
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JEFFERSON	J122	PRECINCT 122 38 DISTRICT
JEFFERSON	J123	PRECINCT 123 38 DISTRICT
JEFFERSON	J127	PRECINCT 127 38 DISTRICT
JEFFERSON	J128	PRECINCT 128 38 DISTRICT
JEFFERSON	J129	PRECINCT 129 38 DISTRICT
JEFFERSON	J130	PRECINCT 130 38 DISTRICT
JEFFERSON	J131	PRECINCT 131 38 DISTRICT
JEFFERSON	J133	PRECINCT 133 38 DISTRICT
JEFFERSON	J135	PRECINCT 135 38 DISTRICT
JEFFERSON	J136	PRECINCT 136 38 DISTRICT
JEFFERSON	K103	PRECINCT 103 40 DISTRICT
JEFFERSON	K104	PRECINCT 104 40 DISTRICT
JEFFERSON	K105	PRECINCT 105 40 DISTRICT
JEFFERSON	K107	PRECINCT 107 40 DISTRICT
JEFFERSON	K108	PRECINCT 108 40 DISTRICT
JEFFERSON	K110	PRECINCT 110 40 DISTRICT
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JEFFERSON	K112	PRECINCT 112 40 DISTRICT
JEFFERSON	K113	PRECINCT 113 40 DISTRICT
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JEFFERSON	K125	PRECINCT 125 40 DISTRICT
JEFFERSON	K126	PRECINCT 126 40 DISTRICT
JEFFERSON	K127	PRECINCT 127 40 DISTRICT
JEFFERSON	K128	PRECINCT 128 40 DISTRICT
JEFFERSON	K129	PRECINCT 129 40 DISTRICT
JEFFERSON	K130	PRECINCT 130 40 DISTRICT
JEFFERSON	K131	PRECINCT 131 40 DISTRICT

JEFFERSON	***K132***	***PRECINCT 132 40 DISTRICT***
JEFFERSON	***L101***	***PRECINCT 101 41 DISTRICT***
JEFFERSON	***L103***	***PRECINCT 103 41 DISTRICT***
JEFFERSON	***L104***	***PRECINCT 104 41 DISTRICT***
JEFFERSON	***L107***	***PRECINCT 107 41 DISTRICT***
JEFFERSON	***L108***	***PRECINCT 108 41 DISTRICT***
JEFFERSON	***L109***	***PRECINCT 109 41 DISTRICT***
JEFFERSON	***L110***	***PRECINCT 110 41 DISTRICT***
JEFFERSON	***L111***	***PRECINCT 111 41 DISTRICT***
JEFFERSON	***L112***	***PRECINCT 112 41 DISTRICT***
JEFFERSON	***L113***	***PRECINCT 113 41 DISTRICT***
JEFFERSON	***L114***	***PRECINCT 114 41 DISTRICT***
JEFFERSON	***L115***	***PRECINCT 115 41 DISTRICT***
JEFFERSON	***L116***	***PRECINCT 116 41 DISTRICT***
JEFFERSON	***L117***	***PRECINCT 117 41 DISTRICT***
JEFFERSON	***L118***	***PRECINCT 118 41 DISTRICT***
JEFFERSON	***L119***	***PRECINCT 119 41 DISTRICT***
JEFFERSON	***L121***	***PRECINCT 121 41 DISTRICT***
JEFFERSON	***L122***	***PRECINCT 122 41 DISTRICT***
JEFFERSON	***L124***	***PRECINCT 124 41 DISTRICT***
JEFFERSON	***L126***	***PRECINCT 126 41 DISTRICT***
JEFFERSON	***L127***	***PRECINCT 127 41 DISTRICT***
JEFFERSON	***L129***	***PRECINCT 129 41 DISTRICT***
JEFFERSON	***L130***	***PRECINCT 130 41 DISTRICT***
JEFFERSON	***L131***	***PRECINCT 131 41 DISTRICT***
JEFFERSON	***L132***	***PRECINCT 132 41 DISTRICT***
JEFFERSON	***L133***	***PRECINCT 133 41 DISTRICT***
JEFFERSON	***M102***	***PRECINCT 102 42 DISTRICT***
JEFFERSON	***M103***	***PRECINCT 103 42 DISTRICT***
JEFFERSON	***M104***	***PRECINCT 104 42 DISTRICT***
JEFFERSON	***M105***	***PRECINCT 105 42 DISTRICT***
JEFFERSON	***M106***	***PRECINCT 106 42 DISTRICT***
JEFFERSON	***M107***	***PRECINCT 107 42 DISTRICT***
JEFFERSON	***M110***	***PRECINCT 110 42 DISTRICT***
JEFFERSON	***M113***	***PRECINCT 113 42 DISTRICT***
JEFFERSON	***M114***	***PRECINCT 114 42 DISTRICT***
JEFFERSON	***M115***	***PRECINCT 115 42 DISTRICT***
JEFFERSON	***M116***	***PRECINCT 116 42 DISTRICT***
JEFFERSON	***M117***	***PRECINCT 117 42 DISTRICT***
JEFFERSON	***M120***	***PRECINCT 120 42 DISTRICT***
JEFFERSON	***M121***	***PRECINCT 121 42 DISTRICT***
JEFFERSON	***M123***	***PRECINCT 123 42 DISTRICT***
JEFFERSON	***M124***	***PRECINCT 124 42 DISTRICT***
JEFFERSON	***M125***	***PRECINCT 125 42 DISTRICT***
JEFFERSON	***M129***	***PRECINCT 129 42 DISTRICT***

JEFFERSON	*M130*	*PRECINCT 130 42 DISTRICT*
JEFFERSON	*M131*	*PRECINCT 131 42 DISTRICT*
JEFFERSON	*M132*	*PRECINCT 132 42 DISTRICT*
JEFFERSON	*M133*	*PRECINCT 133 42 DISTRICT*
JEFFERSON	*M134*	*PRECINCT 134 42 DISTRICT*
JEFFERSON	*M135*	*PRECINCT 135 42 DISTRICT*
JEFFERSON	*M136*	*PRECINCT 136 42 DISTRICT*
JEFFERSON	*N101*	*PRECINCT 101 43 DISTRICT*
JEFFERSON	*N102*	*PRECINCT 102 43 DISTRICT*
JEFFERSON	*N103*	*PRECINCT 103 43 DISTRICT*
JEFFERSON	*N104*	*PRECINCT 104 43 DISTRICT*
JEFFERSON	*N105*	*PRECINCT 105 43 DISTRICT*
JEFFERSON	*N106*	*PRECINCT 106 43 DISTRICT*
JEFFERSON	*N107*	*PRECINCT 107 43 DISTRICT*
JEFFERSON	*N108*	*PRECINCT 108 43 DISTRICT*
JEFFERSON	*N109*	*PRECINCT 109 43 DISTRICT*
JEFFERSON	*N110*	*PRECINCT 110 43 DISTRICT*
JEFFERSON	*N111*	*PRECINCT 111 43 DISTRICT*
JEFFERSON	*N112*	*PRECINCT 112 43 DISTRICT*
JEFFERSON	*N113*	*PRECINCT 113 43 DISTRICT*
JEFFERSON	*N115*	*PRECINCT 115 43 DISTRICT*
JEFFERSON	*N117*	*PRECINCT 117 43 DISTRICT*
JEFFERSON	*N118*	*PRECINCT 118 43 DISTRICT*
JEFFERSON	*N119*	*PRECINCT 119 43 DISTRICT*
JEFFERSON	*N121*	*PRECINCT 121 43 DISTRICT*
JEFFERSON	*N122*	*PRECINCT 122 43 DISTRICT*
JEFFERSON	*N124*	*PRECINCT 124 43 DISTRICT*
JEFFERSON	*O103*	*PRECINCT 103 44 DISTRICT*
JEFFERSON	*O104*	*PRECINCT 104 44 DISTRICT*
JEFFERSON	*O105*	*PRECINCT 105 44 DISTRICT*
JEFFERSON	*O107*	*PRECINCT 107 44 DISTRICT*
JEFFERSON	*O109*	*PRECINCT 109 44 DISTRICT*
JEFFERSON	*O111*	*PRECINCT 111 44 DISTRICT*
JEFFERSON	*O112*	*PRECINCT 112 44 DISTRICT*
JEFFERSON	*O113*	*PRECINCT 113 44 DISTRICT*
JEFFERSON	*O114*	*PRECINCT 114 44 DISTRICT*
JEFFERSON	*O115*	*PRECINCT 115 44 DISTRICT*
JEFFERSON	*O116*	*PRECINCT 116 44 DISTRICT*
JEFFERSON	*O117*	*PRECINCT 117 44 DISTRICT*
JEFFERSON	*O119*	*PRECINCT 119 44 DISTRICT*
JEFFERSON	*O121*	*PRECINCT 121 44 DISTRICT*
JEFFERSON	*O123*	*PRECINCT 123 44 DISTRICT*
JEFFERSON	*O124*	*PRECINCT 124 44 DISTRICT*
JEFFERSON	*O126*	*PRECINCT 126 44 DISTRICT*

JEFFERSON	O127	PRECINCT 127 44 DISTRICT
JEFFERSON	O128	PRECINCT 128 44 DISTRICT
JEFFERSON	O129	PRECINCT 129 44 DISTRICT
JEFFERSON	O130	PRECINCT 130 44 DISTRICT
JEFFERSON	O131	PRECINCT 131 44 DISTRICT
JEFFERSON	O132	PRECINCT 132 44 DISTRICT
JEFFERSON	Q101	PRECINCT 101 46 DISTRICT
JEFFERSON	Q103	PRECINCT 103 46 DISTRICT
JEFFERSON	Q104	PRECINCT 104 46 DISTRICT
JEFFERSON	Q105	PRECINCT 105 46 DISTRICT
JEFFERSON	Q107	PRECINCT 107 46 DISTRICT
JEFFERSON	Q109	PRECINCT 109 46 DISTRICT
JEFFERSON	Q112	PRECINCT 112 46 DISTRICT
JEFFERSON	Q113	PRECINCT 113 46 DISTRICT
JEFFERSON	Q114	PRECINCT 114 46 DISTRICT
JEFFERSON	Q115	PRECINCT 115 46 DISTRICT
JEFFERSON	Q116	PRECINCT 116 46 DISTRICT
JEFFERSON	Q117	PRECINCT 117 46 DISTRICT
JEFFERSON	Q118	PRECINCT 118 46 DISTRICT
JEFFERSON	Q119	PRECINCT 119 46 DISTRICT
JEFFERSON	Q120	PRECINCT 120 46 DISTRICT
JEFFERSON	Q122	PRECINCT 122 46 DISTRICT
JEFFERSON	Q123	PRECINCT 123 46 DISTRICT
JEFFERSON	Q124	PRECINCT 124 46 DISTRICT
JEFFERSON	Q125	PRECINCT 125 46 DISTRICT
JEFFERSON	Q126	PRECINCT 126 46 DIST
JEFFERSON	Q127	PRECINCT 127 46 DISTRICT
JEFFERSON	R105	PRECINCT 105 47 DISTRICT
JEFFERSON	R106	PRECINCT 106 47 DISTRICT
JEFFERSON	R111	PRECINCT 111 47 DISTRICT
JEFFERSON	R112	PRECINCT 112 47 DISTRICT
JEFFERSON	R113	PRECINCT 113 47 DISTRICT
JEFFERSON	R114	PRECINCT 114 47 DISTRICT
JEFFERSON	R115	PRECINCT 115 47 DISTRICT
JEFFERSON	R116	PRECINCT 116 47 DISTRICT
JEFFERSON	R117	PRECINCT 117 47 DISTRICT
JEFFERSON	R118	PRECINCT 118 47 DISTRICT
JEFFERSON	R119	PRECINCT 119 47 DISTRICT
JEFFERSON	R120	PRECINCT 120 47 DISTRICT
JEFFERSON	R121	PRECINCT 121 47 DISTRICT
JEFFERSON	R122	PRECINCT 122 47 DISTRICT
JEFFERSON	R123	PRECINCT 123 47 DISTRICT
JEFFERSON	R124	PRECINCT 124 47 DISTRICT
JEFFERSON	R125	PRECINCT 125 47 DISTRICT
JEFFERSON	R126	PRECINCT 126 47 DISTRICT

JEFFERSON	R127	PRECINCT 127 47 DISTRICT
JEFFERSON	R128	PRECINCT 128 47 DISTRICT
JEFFERSON	R130	PRECINCT 130 47 DISTRICT
JEFFERSON	R131	PRECINCT 131 47 DISTRICT
JEFFERSON	R132	PRECINCT 132 47 DISTRICT
JEFFERSON	R133	PRECINCT 133 47 DISTRICT
JEFFERSON	R134	PRECINCT 134 47 DISTRICT
JEFFERSON	R135	PRECINCT 135 47 DISTRICT
JEFFERSON	R136	PRECINCT 136 47 DISTRICT
JEFFERSON	R137	PRECINCT 137 47 DISTRICT
JEFFERSON	R138	PRECINCT 138 47 DISTRICT
JEFFERSON	R139	PRECINCT 139 47 DISTRICT
JEFFERSON	R140	PRECINCT 140 47 DISTRICT
JEFFERSON	R141	PRECINCT 141 47 DISTRICT
JEFFERSON	R142	PRECINCT 142 47 DIST
JEFFERSON	R143	PRECINCT 143 47 DIST
JEFFERSON	R144	PRECINCT 144 47 DIST
JEFFERSON	R145	PRECINCT 134 47 DISTRICT
JEFFERSON	S101	PRECINCT 101 48 DISTRICT
JEFFERSON	S102	PRECINCT 102 48 DISTRICT
JEFFERSON	S103	PRECINCT 103 48 DISTRICT
JEFFERSON	S116	PRECINCT 116 48 DISTRICT
JEFFERSON	S117	PRECINCT 117 48 DISTRICT
JEFFERSON	S118	PRECINCT 118 48 DISTRICT
JEFFERSON	S119	PRECINCT 119 48 DISTRICT
JEFFERSON	S120	PRECINCT 120 48 DISTRICT
JEFFERSON	S121	PRECINCT 121 48 DISTRICT
JEFFERSON	S122	PRECINCT 122 48 DISTRICT
JEFFERSON	S125	PRECINCT 125 48 DISTRICT
JEFFERSON	S126	PRECINCT 126 48 DISTRICT
JEFFERSON	S128	PRECINCT 128 48 DISTRICT
JEFFERSON	S129	PRECINCT 129 48 DISTRICT
JEFFERSON	S130	PRECINCT 130 48 DISTRICT
JEFFERSON	S131	PRECINCT 131 48 DISTRICT
JEFFERSON	S132	PRECINCT 132 48 DISTRICT
JEFFERSON	S133	PRECINCT 133 48 DISTRICT
JEFFERSON	S134	PRECINCT 134 48 DISTRICT
JEFFERSON	S135	PRECINCT 135 48 DISTRICT
JEFFERSON	S136	PRECINCT 136 48 DISTRICT
JEFFERSON	S137	PRECINCT 137 48 DISTRICT
JEFFERSON	S138	PRECINCT 138 48 DISTRICT
JEFFERSON	S139	PRECINCT 139 48 DISTRICT
JEFFERSON	S140	PRECINCT 140 48 DISTRICT
JEFFERSON	S141	PRECINCT 141 48 DISTRICT
JEFFERSON	S142	PRECINCT 142 48 DISTRICT

JEFFERSON	S143	PRECINCT 143 48 DIST
JEFFERSON	S144	PRECINCT 144 48 DISTRICT
JEFFERSON	T101	PRECINCT 101 59 DISTRICT
JEFFERSON	T102	PRECINCT 102 59 DISTRICT

SECTION 142. KRS 118B.140 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourth Congressional District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BATH	A101		SHARPSBURG NO. 1			
BATH	A102		SHARPSBURG NO. 2			
BATH	A103		BETHEL			
BATH	A104		SOUTH SHERBURNE			
BATH	B101		OWINGSVILLE NO. 1			
BATH	B102		OWINGSVILLE NO. 2			
BATH	B103		OWINGSVILLE NO. 3			
BATH	C103		WHITE SULPHUR	970300	3015	
BATH	C103		WHITE SULPHUR	970300	3016	
BATH	C103		WHITE SULPHUR	970300	3024	
BATH	C103		WHITE SULPHUR	970300	3035	
BATH	C104		OLYMPIA			
BATH	C105		PRESTON			
BOONE						
BOYD						
BRACKEN						
CAMPBELL						
CARROLL						
CARTER						
ELLIOTT						
FLEMING						
GALLATIN						
GRANT						
GREENUP						
HARRISON						
HENRY						
KENTON						
LEWIS						
MASON						
NICHOLAS						
OLDHAM						
OWEN						
PENDLETON						
ROBERTSON						
SCOTT	A100		PORTER			
SCOTT	A102		SADIEVILLE			
SCOTT	A104		COUNTY EXTENSION	040500	1040	

SCOTT	*A104*	*COUNTY EXTENSION*	*040500*	*1064*	
SCOTT	*A104*	*COUNTY EXTENSION*	*040600*	*1000*	*0102*
SCOTT	*A106*	*DRY RUN*	*040400*	*2010*	*0102*
SCOTT	*A106*	*DRY RUN*	*040400*	*2011*	*0202*
SCOTT	*A106*	*DRY RUN*	*040400*	*2013*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2014*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2015*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2017*	*0102*
SCOTT	*A106*	*DRY RUN*	*040400*	*2018*	*0102*
SCOTT	*A106*	*DRY RUN*	*040400*	*2019*	*0102*
SCOTT	*A106*	*DRY RUN*	*040400*	*2021*	*0102*
SCOTT	*A106*	*DRY RUN*	*040400*	*2022*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2026*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2027*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2028*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2029*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2030*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2031*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2032*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2034*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2054*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2055*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2056*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2057*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1050*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1051*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1052*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1053*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1054*	*0203*
SCOTT	*A106*	*DRY RUN*	*040500*	*1055*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1056*	*0202*
SCOTT	*A106*	*DRY RUN*	*040500*	*1057*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1058*	
SCOTT	*A106*	*DRY RUN*	*040500*	*1999*	
SCOTT	*A106*	*DRY RUN*	*040600*	*1000*	*0202*
SCOTT	*A106*	*DRY RUN*	*040600*	*1001*	*0203*
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2001*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2002*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2004*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2005*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2006*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2009*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2010*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2014*	*0102*
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2016*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2037*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2038*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2014*	*0202*
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2015*	

SCOTT	B105	STAMPING GROUND	040500	2017
SCOTT	B105	STAMPING GROUND	040500	2018
SCOTT	B105	STAMPING GROUND	040500	2019
SCOTT	B105	STAMPING GROUND	040500	2020
SCOTT	B105	STAMPING GROUND	040500	2029
SCOTT	B105	STAMPING GROUND	040500	2036
TRIMBLE				

SECTION 143. KRS 118B.150 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifth Congressional District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BATH	C101		SALT LICK NO. 1			
BATH	C102		SALT LICK NO. 2			
BATH	C103		WHITE SULPHUR	970300	1001	0303
BATH	C103		WHITE SULPHUR	970300	1002	
BATH	C103		WHITE SULPHUR	970300	1003	
BATH	C103		WHITE SULPHUR	970300	1004	
BATH	C103		WHITE SULPHUR	970300	1005	
BATH	C103		WHITE SULPHUR	970300	1006	0102
BATH	C103		WHITE SULPHUR	970300	1007	
BATH	C103		WHITE SULPHUR	970300	1035	
BATH	C103		WHITE SULPHUR	970300	1036	
BATH	C103		WHITE SULPHUR	970300	1037	
BATH	C103		WHITE SULPHUR	970300	1038	
BATH	C103		WHITE SULPHUR	970300	2052	0102
BATH	C103		WHITE SULPHUR	970300	2054	
BATH	C103		WHITE SULPHUR	970300	3000	0102
BATH	C103		WHITE SULPHUR	970300	3001	
BATH	C103		WHITE SULPHUR	970300	3002	
BATH	C103		WHITE SULPHUR	970300	3003	
BATH	C103		WHITE SULPHUR	970300	3004	
BATH	C103		WHITE SULPHUR	970300	3005	
BATH	C103		WHITE SULPHUR	970300	3006	
BATH	C103		WHITE SULPHUR	970300	3007	
BATH	C103		WHITE SULPHUR	970300	3008	
BATH	C103		WHITE SULPHUR	970300	3009	
BATH	C103		WHITE SULPHUR	970300	3010	
BATH	C103		WHITE SULPHUR	970300	3011	
BATH	C103		WHITE SULPHUR	970300	3012	
BATH	C103		WHITE SULPHUR	970300	3013	
BATH	C103		WHITE SULPHUR	970300	3014	
BATH	C103		WHITE SULPHUR	970300	3037	
BATH	C103		WHITE SULPHUR	970300	3038	
BATH	C103		WHITE SULPHUR	970300	3039	

BATH	C103		WHITE SULPHUR	970300	3040	
BATH	C103		WHITE SULPHUR	970300	3041	
BATH	C103		WHITE SULPHUR	970300	3042	
BATH	C103		WHITE SULPHUR	970300	3043	
BATH	C103		WHITE SULPHUR	970300	3044	
BATH	C103		WHITE SULPHUR	970300	3045	
BATH	C103		WHITE SULPHUR	970300	3046	
BATH	C103		WHITE SULPHUR	970300	3047	
BATH	C103		WHITE SULPHUR	970300	3048	
BATH	C103		WHITE SULPHUR	970300	3049	
BATH	C103		WHITE SULPHUR	970300	3051	0202
BATH	C103		WHITE SULPHUR	970300	3052	
BATH	C103		WHITE SULPHUR	970300	3053	0102
BATH	C103		WHITE SULPHUR	970300	3057	
BELL						
BREATHITT						
CLAY						
FLOYD						
HARLAN						
JACKSON						
JOHNSON						
KNOTT						
KNOX						
LAUREL						
LAWRENCE						
LEE						
LESLIE						
LETCHER						
MAGOFFIN						
MARTIN						
MCCREARY						
MENIFEE						
MORGAN						
OWSLEY						
PERRY						
PIKE						
PULASKI						
ROCKCASTLE						
ROWAN						
WAYNE						
WHITLEY						
WOLFE						

SECTION 144. KRS 118B.160 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixth Congressional District shall consist of the following territory:

				---CENSUS---		
COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ANDERSON						
BOURBON						
BOYLE						

CLARK					
ESTILL					
FAYETTE					
FRANKLIN					
GARRARD					
JESSAMINE					
LINCOLN	A101	STANFORD #1			
LINCOLN	A102	STANFORD #2			
LINCOLN	A103	STANFORD #3			
LINCOLN	B101	CRAB ORCHARD #1			
LINCOLN	B102	CRAB ORCHARD #2			
LINCOLN	B103	BROUGHTENTOWN			
LINCOLN	B104	STANFORD # 5			
LINCOLN	C101	WAYNESBURG #1			
LINCOLN	C104	HALLS GAP			
LINCOLN	D101	HUSTONVILLE	980200	1025	0102
LINCOLN	D101	HUSTONVILLE	980200	1026	
LINCOLN	D101	HUSTONVILLE	980200	2000	
LINCOLN	D101	HUSTONVILLE	980200	2001	
LINCOLN	D101	HUSTONVILLE	980200	2002	
LINCOLN	D101	HUSTONVILLE	980200	2003	
LINCOLN	D101	HUSTONVILLE	980200	2004	
LINCOLN	D101	HUSTONVILLE	980200	2005	
LINCOLN	D101	HUSTONVILLE	980200	2006	
LINCOLN	D101	HUSTONVILLE	980200	2007	
LINCOLN	D101	HUSTONVILLE	980200	2008	
LINCOLN	D101	HUSTONVILLE	980200	2009	
LINCOLN	D101	HUSTONVILLE	980200	2067	
LINCOLN	D101	HUSTONVILLE	980200	2068	
LINCOLN	D101	HUSTONVILLE	980200	2069	
LINCOLN	D101	HUSTONVILLE	980200	2070	
LINCOLN	D101	HUSTONVILLE	980200	2071	
LINCOLN	D101	HUSTONVILLE	980200	2072	
LINCOLN	D101	HUSTONVILLE	980200	2073	
LINCOLN	D101	HUSTONVILLE	980200	3005	0102
LINCOLN	D102	MCKINNEY	980200	3001	
LINCOLN	D102	MCKINNEY	980200	3002	
LINCOLN	D102	MCKINNEY	980200	3003	
LINCOLN	D102	MCKINNEY	980200	3004	
LINCOLN	D102	MCKINNEY	980200	3005	0202
LINCOLN	D102	MCKINNEY	980200	3006	
LINCOLN	D102	MCKINNEY	980200	3007	
LINCOLN	D102	MCKINNEY	980200	3008	
LINCOLN	D102	MCKINNEY	980200	3009	

LINCOLN	D102	MCKINNEY	980200	3010	
LINCOLN	D102	MCKINNEY	980200	3011	
LINCOLN	D102	MCKINNEY	980200	3012	
LINCOLN	D102	MCKINNEY	980200	3023	
LINCOLN	D102	MCKINNEY	980200	3024	
LINCOLN	D102	MCKINNEY	980200	3025	
LINCOLN	D102	MCKINNEY	980200	3026	
LINCOLN	D102	MCKINNEY	980200	3027	
LINCOLN	D102	MCKINNEY	980200	3028	
LINCOLN	D102	MCKINNEY	980200	3031	
LINCOLN	D103	MORELAND	980100	2021	
LINCOLN	D103	MORELAND	980100	2022	
LINCOLN	D103	MORELAND	980100	2029	
LINCOLN	D103	MORELAND	980100	2030	
LINCOLN	D103	MORELAND	980100	2031	
LINCOLN	D103	MORELAND	980100	2032	
LINCOLN	D103	MORELAND	980200	1000	
LINCOLN	D103	MORELAND	980200	1001	
LINCOLN	D103	MORELAND	980200	1019	
LINCOLN	D103	MORELAND	980200	1020	
LINCOLN	D103	MORELAND	980200	1023	
LINCOLN	D103	MORELAND	980200	1025	0202
LINCOLN	D103	MORELAND	980200	1071	
LINCOLN	D104	STANFORD # 4			
MADISON					
MERCER					
MONTGOMERY					
POWELL					
SCOTT	A104	COUNTY EXTENSION	040500	1054	0303
SCOTT	A104	COUNTY EXTENSION	040500	1056	0102
SCOTT	A104	COUNTY EXTENSION	040500	1063	
SCOTT	A104	COUNTY EXTENSION	040500	1065	
SCOTT	A104	COUNTY EXTENSION	040600	1001	0103
SCOTT	A104	COUNTY EXTENSION	040600	1001	0303
SCOTT	A104	COUNTY EXTENSION	040600	1002	
SCOTT	A104	COUNTY EXTENSION	040600	1003	
SCOTT	A104	COUNTY EXTENSION	040600	1004	
SCOTT	A104	COUNTY EXTENSION	040600	1005	
SCOTT	A104	COUNTY EXTENSION	040600	1020	
SCOTT	A104	COUNTY EXTENSION	040600	1021	
SCOTT	A104	COUNTY EXTENSION	040600	1024	
SCOTT	A104	COUNTY EXTENSION	040600	1025	
SCOTT	A104	COUNTY EXTENSION	040600	1026	
SCOTT	A104	COUNTY EXTENSION	040600	1027	

SCOTT	*A104*	*COUNTY EXTENSION*	*040600*	*1029*	
SCOTT	*A104*	*COUNTY EXTENSION*	*040600*	*1030*	
SCOTT	*A104*	*COUNTY EXTENSION*	*040600*	*1050*	
SCOTT	*A104*	*COUNTY EXTENSION*	*040600*	*1051*	
SCOTT	*A104*	*COUNTY EXTENSION*	*040600*	*1052*	
SCOTT	*A104*	*COUNTY EXTENSION*	*040600*	*1053*	
SCOTT	*A106*	*DRY RUN*	*040400*	*2033*	
SCOTT	*B101*	*NORTH CARDOME*			
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2007*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2008*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2011*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2012*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2013*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2030*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2031*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2032*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*2033*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3010*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3011*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3014*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3015*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3016*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3017*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3018*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3019*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3020*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3021*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3022*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3023*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3024*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3032*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3033*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3034*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3035*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3036*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3037*	
SCOTT	*B103*	*MINORSVILLE*	*040500*	*3038*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1009*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1010*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1011*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1012*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1090*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1099*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1100*	
SCOTT	*B103*	*MINORSVILLE*	*040600*	*1101*	*0202*
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2021*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2022*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2023*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2024*	

SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2025*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2026*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2027*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2028*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2034*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*2035*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3001*	*0202*
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3002*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3003*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3004*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3005*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3006*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3007*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3008*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3009*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3012*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3013*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3025*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3026*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3027*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3028*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3029*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3030*	
SCOTT	*B105*	*STAMPING GROUND*	*040500*	*3031*	
SCOTT	*B105*	*STAMPING GROUND*	*040600*	*1006*	*0102*
SCOTT	*B105*	*STAMPING GROUND*	*040600*	*1007*	
SCOTT	*B105*	*STAMPING GROUND*	*040600*	*1008*	
SCOTT	*B107*	*GREAT CROSSING*			
SCOTT	*B109*	*SOUTH CARDOME*			
SCOTT	*C110*	*IRONWORKS*			
SCOTT	*C112*	*OLD GREAT CROSSING SCHOOL*			
SCOTT	*C114*	*WEST CANE RUN*			
SCOTT	*C116*	*EAST CANE RUN*			
SCOTT	*D111*	*WEST OXFORD*			
SCOTT	*D113*	*EAST OXFORD*			
SCOTT	*D115*	*NEWTOWN*			
SCOTT	*D117*	*EASTSIDE*			
SCOTT	*E118*	*NORTH COURTHOUSE*			
SCOTT	*E120*	*SOUTH COURTHOUSE*			
SCOTT	*E122*	*NORTH HAMILTON*			
SCOTT	*E124*	*GARTH SCHOOL*			
SCOTT	*F119*	*ROYAL SPRINGS*			
SCOTT	*F121*	*SOUTH BROADWAY*			
SCOTT	*F123*	*INDIAN HILLS*			

SCOTT	*F125*	*GEORGETOWN MIDDLE SCHOOL*
SCOTT	*G126*	*INDIAN ACRES*
SCOTT	*G128*	*SOUTHERN SCHOOL WEST*
SCOTT	*G130*	*SOUTHERN SCHOOL EAST*
SCOTT	*G132*	*MARSHALL FIELD FIRE STA*
WOODFORD		

Section 145. KRS 118B.010 is amended to read as follows:

For the purpose of this chapter[congressional redistricting done by the Second Extraordinary Session of 1991]:

(1) The boundaries of the congressional districts created by this chapter shall be those shown on the maps generated by the Legislative Research Commission's geographic information system to accompany the redistricting plan enacted into law. The official [paper] copies of these maps shall be on file with the State Board of Elections. A duplicate set of maps and associated population information shall be retained by the Legislative Research Commission.

(2) (a) Designated precincts are those precincts in existence on July 15, 2000[1990]. Precinct boundaries shown in the maps referred to in subsection (1) of this section are taken from county precinct maps [filed with the State Board of Elections] and verified and corrected by the Legislative Research Commission staff in consultation with county election officials.

(b) Census tracts and blocks shown in the maps referred to in subsection (1) of this section are those utilized for the making of the 2000[1990] United States Census.

(c) Population data utilized for redistricting is the 2000[1990] United States Census PL 94-171 population data that was deemed to be official by the United States Secretary of Commerce on or before July 15, 2001[1991], and election precinct population data prepared by the Legislative Research Commission staff from the official PL 94-171 population data."

And by renumbering Sections 139 and 140 accordingly; and

On page 233, by deleting lines 7 through 21 in their entirety and insert in lieu thereof the following:

"Section 148. KRS 118.165 or any other section of the Kentucky Revised Statutes to the contrary notwithstanding, the filing deadline of January 29, 2002, at 4 p.m., for nomination papers for state legislative and United States House of Representative candidates shall be suspended for the 2002 primary election, and for no other election, and shall be extended until 4 p.m. on February 1, 2002. All nomination papers for the office of state legislator and United States Representative for the 2002 primary election shall be filed in the office of the Secretary of State, Frankfort, Kentucky, no later than 4 p.m., local time, on February 1, 2002.

KRS 118.225 or any other section of the Kentucky Revised Statutes to the contrary notwithstanding, for state legislative and United States Representative candidates, the date for the public drawing for ballot position for the 2002 primary election, and that election only, shall be suspended. Public drawing for ballot position for state legislative and United States Representative candidates for the 2002 primary election shall occur on a date set by the Secretary of State, but shall not occur prior to Monday, February 4, 2002.

This section shall be retroactive to 4 p.m., January 29, 2002."; and

On page 233, by renumbering Section 142 accordingly; and

By amending the Title of HB 1 to read "An ACT relating to redistricting and declaring an emergency."

Signed: January 31, 2002 - Representatives Richards, Callahan, L. Clark, Barrows, T. Turner, Geveden, and Stumbo; Senators Williams and Kelly. The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Stumbo moved that **HB 1**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: **Yeas 93, Nays 7**. (See January 31, 2002, roll call on **HB 1** - Appendix.)

HB 1, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Heleringer moved that the vote by which **HB 1**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications, (Continued)

Representative Stumbo moved to suspend the rules for Introductions of Bills and Resolutions, and Committee Reports. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 559, by Representatives Horlander, A. Arnold, Jenkins, P. Clark, Marzian, Miller, L. Clark, and Barrows: AN ACT relating to elections.

HCR 104, by Representatives Gray, Buckingham, Cherry, and J. Adams: A CONCURRENT RESOLUTION requesting and petitioning the Kentucky Congressional Delegation to urge the U.S. Forest Service to replace its recently established guidelines on the care, maintenance, and burials at cemeteries in the Land Between the Lakes Recreation Area with the long-established policies imposed by the Tennessee Valley Authority.

HR 105, by Representative Adkins: A RESOLUTION honoring the Kentucky Affordable Prepaid Tuition (KAPT) Program's second enrollment period.

Report of Committees (Continued)

The Committee on Judiciary reported **HB 4** with Committee Substitute attached thereto, **HB 154, HB 273** with Committee Substitute attached thereto, **HB 387, HB 412, HB 445,** and **HB 458** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 4, AN ACT relating to a criminal DNA database.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 17.170 is amended to read as follows:

(1) ***As used in this section, "qualifying felon" means:***

(a) Any person convicted on or after July 14, 1992, of a felony offense under KRS Chapter 510 or KRS 530.020***;***[~~,~~]

(b) Any person[~~shall, or~~] who is in the custody of the Department of Corrections ***or a correctional facility or jail under contract with the Department of Corrections*** on July 14, 1992, ***for an offense*** under KRS Chapter 510 or KRS 530.020***; or***

(c) Any person convicted on or after the effective date of this Act of a felony, including juveniles tried and convicted as adults.

(2) A qualifying felon shall[~~may~~], have a sample of blood***, an oral swab, or a sample obtained through a noninvasive procedure*** taken by the Department of Corrections for DNA (deoxyribonucleic acid) law enforcement identification purposes and inclusion in law enforcement identification databases.

(3) The duty imposed by subsection (2) of this section shall exist at all times for those offenders described by subsection (1)(a) or (1)(b) of this section. For all other qualifying offenders, the Department of Corrections may implement the provisions of subsection (2) of this section as funds become available in accordance with the following schedule of priority:

(a) First priority shall be given to violent offenders, convicted as adults, as that term is defined in 439.3401;

(b) Second priority shall be given to offenders convicted as adults of burglary;

(c) Third priority shall be given to offenders convicted as adults of crimes against persons;

(d) Fourth priority shall be given to offenders convicted as adults of crimes against property;

(e) Fifth priority shall be all other qualifying felons, excluding those in paragraph (f) of this subsection; and

(f) Sixth priority shall be juveniles who are adjudicated delinquent for an offense that would have been a felony if committed by an adult.

(4) Where the Department of Corrections and the Department of State Police forensic laboratory is unable to collect and index DNA samples from all qualifying felons, the department may collect DNA samples in accordance with the priorities and procedures of this section and store those samples in safe, secure locations for later law enforcement identification purposes and inclusion in law enforcement identification databases as funds become available.

(5)[~~(2)~~] The samples shall be obtained in a medically approved manner by a physician, registered nurse, phlebotomist, medical technician, or medical technologist, and packaged and submitted in containers provided by the Department of State Police forensic laboratory in accordance with administrative regulations promulgated by the Department of State Police forensic laboratory. No civil liability shall attach to any person authorized to ***obtain the DNA sample***[~~draw blood~~] as provided by this section as a result of the act of ***obtaining the DNA sample***[~~drawing blood~~] from any person, provided the ***procedure was done***[~~blood was drawn~~] according to generally accepted medical procedures.

(6)[~~(3)~~] The cost of testing shall be paid by the agency or individual making the request for testing.

(7)[~~(4)~~] Any person who tampers or attempts to tamper with any ***DNA*** sample ***collected under this section***[~~of blood~~] or ***its***[~~the~~] container[~~ collected pursuant to subsection (1) or (2)~~] without lawful authority shall be guilty of a Class D felony.

Section 2. KRS 17.175 is amended to read as follows:

(1) A centralized database of DNA (deoxyribonucleic acid) identification records for convicted criminals, crime scene specimens, missing persons, and close biological relatives of missing persons shall be established in the Department of State Police under the direction, control, and supervision of the State Police forensic laboratory. The established system shall be compatible with the procedures set forth in a national DNA identification index to ensure data exchange on a national level.

(2) The purpose of the centralized DNA database is to assist federal, state, and local criminal justice and law enforcement agencies within and outside the Commonwealth in the identification, detection, or exclusion of individuals who are subjects of the investigation or prosecution of sex-related crimes, violent crimes, or other crimes and the identification and location of missing and unidentified persons.

(3) The Department of State Police forensic laboratory shall receive, analyze, and classify samples of blood received from the Department of Corrections in compliance with KRS 17.170 and this section, and samples from other sources, and shall file the DNA results in the centralized databases for identification and statistical purposes.

(4) Records produced from the samples shall be used only for law enforcement purposes and shall be exempt from the provisions of KRS Chapter 61.

(5) A person whose DNA profile has been included in the data bank pursuant to this chapter may request expungement on the grounds that the felony conviction on which the authority for including the DNA profile was based, has been reversed and the case dismissed. The Department of State Police shall expunge all identifiable information in the data bank pertaining to the person and destroy all samples from the person upon receipt of:

(a) A written request for expungement pursuant to this section; and

(b) A certified copy of the court order reversing and dismissing the conviction.

(6) The Department of State Police forensic laboratory shall promulgate administrative regulations necessary to carry out the provisions of the DNA database identification system to include procedures for collection of ***DNA*** samples[~~ of blood~~] and the database system usage and integrity.

(7) Any person who disseminates, receives, or otherwise uses or attempts to use information in the database, knowing that such dissemination, receipt, or use is for a purpose other than authorized by law, shall be guilty of a Class A misdemeanor.

The Committee Substitute to **HB 4** is as follows:

HB 4, AN ACT relating to a criminal DNA database.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 422 IS CREATED TO READ AS FOLLOWS:

(1) At any time, a person who was convicted of and sentenced to death for a capital offense and who meets the requirements of this section may request the forensic deoxyribonucleic acid (DNA) testing and analysis of any evidence that is in the possession or control of the court or Commonwealth, that is related to the investigation or prosecution that resulted in the judgment of conviction and that may contain biological evidence.

(2) After notice to the prosecutor and an opportunity to respond, the court shall order DNA testing and analysis if the court finds that all of the following apply:

(a) A reasonable probability exists that the petitioner would not have been prosecuted or convicted if exculpatory results had been obtained through DNA testing and analysis;

(b) The evidence is still in existence and is in a condition that allows DNA testing and analysis to be conducted; and

(c) The evidence was not previously subjected to DNA testing and analysis or was not subjected to the testing and analysis that is now requested and may resolve an issue not previously resolved by the previous testing and analysis.

(3) After notice to the prosecutor and an opportunity to respond, the court may order DNA testing and analysis if the court finds that all of the following apply:

(a) A reasonable probability exists that either:

1. The petitioner's verdict or sentence would have been more favorable if the results of DNA testing and analysis had been available at the trial leading to the judgment of conviction; or

2. DNA testing and analysis will produce exculpatory evidence.

(b) The evidence is still in existence and is in a condition that allows DNA testing and analysis to be conducted.

(c) The evidence was not previously subject to DNA testing and analysis or was not subjected to the testing and

analysis that is now requested and that may resolve an issue not previously resolved by the previous testing and analysis.

(4) If the court orders testing and analysis pursuant to subsection (2) of this section, the court shall order the responsibility for payment, if necessary. If the court orders testing and analysis of this section pursuant to subsection (3) of this section the court shall require the petitioner to pay the costs of testing and analysis, if required by Section 3 of this Act. If the court orders testing and analysis under subsection (2) or (3) of this section the court shall appoint counsel to those petitioners who qualify for appointment under KRS Chapter 31.

(5) If the prosecutor or defense counsel has previously subjected evidence to DNA testing and analysis, the court shall order the prosecutor or defense counsel to provide all the parties and the court with access to the laboratory reports that were prepared in connection with the testing and analysis, including underlying data and laboratory notes. If the court orders DNA testing and analysis pursuant to this section, the court shall order the production of any laboratory reports that are prepared in connection with the testing and analysis may order the production of any underlying data and laboratory notes.

(6) If a petition is filed pursuant to this section, the court shall order the state to preserve during the pendency of the proceeding all evidence in the state's possession or control that could be subjected to DNA testing and analysis. The state shall prepare an inventory of the evidence and shall submit a copy of the inventory to the defense and the court. If the evidence is intentionally destroyed after the court orders its preservation, the court may impose appropriate sanctions, including criminal contempt.

(7) The court may make any other orders that the court deems appropriate, including designating any of the following:

(a) The preservation of some of the sample for replicating the testing and analysis;

(b) Elimination samples from third parties.

(8) If the results of the DNA testing and analysis are not favorable to the petitioner, the court shall dismiss the petition. The court may make further orders as it deems appropriate, including any of the following:

(a) Notifying the Department of Corrections and the Parole Board;

(b) Requesting that the petitioner's sample be added to the Kentucky State Police database;

(c) Providing notification to the victim or family of the victim.

(9) In a capital case in which the death penalty has been imposed, notwithstanding any other provision of law that would bar a hearing as untimely, if the results of the DNA testing and analysis are favorable to the petitioner, the court shall order a hearing and make any further orders that are required pursuant to this section or the Kentucky Rules of Criminal Procedure.

SECTION 2. A NEW SECTION OF KRS CHAPTER 422 IS CREATED TO READ AS FOLLOWS:

(1) When a person is being tried for a capital offense and there is evidence in the case which may be subjected to deoxyribonucleic acid (DNA) testing and analysis the Commonwealth or the defendant may move to have any item of evidence not previously subjected to DNA testing and analysis tested and analyzed.

(2) If the court is satisfied that the item of evidence has not been tested and analyzed, that DNA testing and analysis would yield appropriate evidence, and that the item of evidence has not previously been the subject of DNA testing and analysis or that new DNA testing and analysis would yield a more accurate result, the court shall order DNA testing and analysis of the evidence.

(3) The testing and analysis of the evidence shall be done by the State Police laboratory or at another laboratory selected by the Kentucky State Police laboratory.

(4) DNA testing and analysis results shall be made available to both the Commonwealth and the defendant and either the Commonwealth or the defendant may move that they be admitted at trial.

(5) If the defendant is convicted of any offense for which DNA test and analysis results are required to be maintained by law, the DNA test and analysis results obtained pursuant to this section shall be utilized for that purpose, whether or not the test and analysis results were introduced in the case.

SECTION 3. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

(1) In addition to the requirements specified in Section 1 of this Act, any evidence submitted for testing and analysis pursuant to Section 1 or 2 of this Act shall be of probative value. When the motion is filed with the court requesting testing and analysis of evidence pursuant to this section the applicant shall include sufficient information about the evidence, the necessity for its testing and analysis, and its applicability to the proceeding for a court to make a determination of the probative value of the evidence proposed to be tested and analyzed.

(2) The prosecution, with a court order issued pursuant to this section, may submit not more than five (5) items of evidence for testing and analysis by the Kentucky State Police laboratory or another laboratory selected by the Kentucky State Police laboratory without charge. The cost of testing and analysis any items of evidence in excess of the five (5) initial items to be tested and analyzed shall be borne by the agency or person requesting the testing and analysis. Any additional item of evidence submitted for testing and analysis shall be accompanied by the court order specified in subsection (1) of this section.

(4) The defense, with a court order issued pursuant to this section, may submit not more than five (5) items of evidence for testing and analysis by the Kentucky State Police laboratory or another laboratory selected by the Kentucky State Police laboratory without charge. The cost of testing and analysis any item of evidence in excess of the five (5) initial items to be tested and analyzed shall be borne by the agency or person requesting the testing and analysis. Any additional item of evidence submitted for testing and analysis shall be accompanied by the court order specified in subsection (1) of this section.

(5) Any other party in a criminal case, with permission of the court after a specific showing of necessity for testing and analysis, together with the items specified in subsection (1) of this section, may submit an item of evidence for testing and analysis by the Kentucky State Police laboratory or another laboratory selected by the Kentucky State Police laboratory for testing and analysis. The cost of testing and analysis of any item of evidence permitted to be submitted by the court shall be borne by the person or organization requesting the testing and analysis.

(6) The Kentucky State Police shall promulgate by administrative regulation a uniform schedule of fees to be charged for testing and analysis conducted pursuant to Section 1 or 2 of this Act.

Section 4. KRS 17.170 is amended to read as follows:

(1) Any person convicted on or after July 14, 1992, of a felony offense under KRS Chapter 510 or KRS 530.020, shall, or who is in the custody of the Department of Corrections on July 14, 1992, under KRS Chapter 510 or KRS 530.020 may, have a sample of blood***, an oral swab, or sample obtained through a noninvasive procedure*** taken by the Department of Corrections for DNA (deoxyribonucleic acid) law enforcement identification purposes and inclusion in law enforcement identification databases.

(2) The samples shall be obtained in a medically approved manner by a physician, registered nurse, phlebotomist, medical technician, or medical technologist, and packaged and submitted in containers provided by the Department of State Police forensic laboratory in accordance with administrative regulations promulgated by the Department of State Police forensic laboratory. No civil liability shall attach to any person authorized to ***obtain the DNA sample***[~~draw blood~~] as provided by this section as a result of the act of ***obtaining the DNA sample***[~~drawing blood~~] from any person, provided the ***procedure***[~~blood~~] was ***done***[~~drawn~~] according to generally accepted medical procedures.

(3) The cost of testing shall be paid by the agency or individual making the request for testing.

(4) Any person who tampers or attempts to tamper with any ***DNA*** sample ***collected under this section***[~~of blood~~] or ***its***[~~the~~] container[~~ collected pursuant to subsection (1) or (2)~~] without lawful authority shall be guilty of a Class D felony.

SECTION 5. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Any person convicted on or after the effective date of this Act or who is in the custody of the Department of Corrections on or after the effective date of this Act for a violation of KRS 530.064, 531.310, or 531.320 or a felony attempt to commit one (1) of these offenses shall be subject to the provisions of KRS 17.170 relating to the collection and retention of deoxyribonucleic acid (DNA) evidence.

SECTION 6. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Any person convicted on or after the effective date of this Act or who is in the custody of the Department of Corrections on or after the effective date of this Act for a violation of KRS 511.020 or 511.030 or a felony attempt to commit one of these offenses shall be subject to the provisions of KRS 17.170 relating to the collection and retention of deoxyribonucleic acid (DNA) evidence.

SECTION 7. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Any person convicted on or after the effective date of this Act or who is in the custody of the Department of Corrections on or after the effective date of this act for a capital offense, Class A felony, or Class B felony involving the death of the victim or serious physical injury to the victim as specified in KRS 439.3401 shall be subject to the provisions of KRS 17.170 relating to the collection and retention of deoxyribonucleic acid (DNA) evidence.

SECTION 8. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Sections 5 and 6 of this Act shall apply to a public offender adjudicated a public offender or in the custody of the Department of Juvenile Justice on or after the effective date of this Act for any offense defined in Section 4 or 5 of this Act or an attempt to commit one (1) of the named offenses.

Section 9. KRS 17.175 is amended to read as follows:

(1) A centralized database of DNA (deoxyribonucleic acid) identification records for convicted criminals, crime scene specimens, missing persons, and close biological relatives of missing persons shall be established in the Department of State Police under the direction, control, and supervision of the State Police forensic laboratory. The established system shall be compatible with the procedures set forth in a national DNA identification index to ensure data exchange on a national level.

(2) The purpose of the centralized DNA database is to assist federal, state, and local criminal justice and law enforcement agencies within and outside the Commonwealth in the identification, detection, or exclusion of individuals who are subjects of the investigation or prosecution of sex-related crimes, violent crimes, or other crimes and the identification and location of missing and unidentified persons.

(3) The Department of State Police forensic laboratory shall receive, analyze, and classify samples of blood received from the Department of Corrections in compliance with KRS 17.170 and this section, and samples from other sources, and shall file the DNA results in the centralized databases for identification and statistical purposes.

(4) Records produced from the samples shall be used only for law enforcement purposes and shall be exempt from the provisions of KRS Chapter 61.

(5) A person whose DNA profile has been included in the data bank pursuant to this chapter may request expungement on the grounds that the felony conviction on which the authority for including the DNA profile was based, has been reversed and the case dismissed. The Department of State Police shall expunge all identifiable information in the data bank pertaining to the person and destroy all samples from the person upon receipt of:

- (a) A written request for expungement pursuant to this section; and
- (b) A certified copy of the court order reversing and dismissing the conviction.

(6) The Department of State Police forensic laboratory shall promulgate administrative regulations necessary to carry out the provisions of the DNA database identification system to include procedures for collection of *DNA* samples~~[of blood]~~ and the database system usage and integrity.

(7) Any person who disseminates, receives, or otherwise uses or attempts to use information in the database, knowing that such dissemination, receipt, or use is for a purpose other than authorized by law, shall be guilty of a Class A misdemeanor.

SECTION 10. A NEW SECTION OF KRS CHAPTER 524 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

- *(a) "Defendant" means a person charged with a:*
  - *1. Capital offense, Class A felony, Class B felony, or Class C felony; or*
  - *2. Class D felony under KRS Chapter 510; and*
- *(b) "Following trial" means after:*
  - *1. The first appeal authorized by the Constitution of Kentucky in a criminal case has been decided; or*
  - *2. The time for the first appeal authorized by the Constitution of Kentucky in a criminal case has lapsed without an appeal having been filed.*

(2) No item of evidence gathered by law enforcement, prosecutorial, or defense authorities that may be subject to deoxyribonucleic acid (DNA) evidence testing and analysis in order to confirm the guilt or innocence of a criminal defendant shall be disposed of prior to trial of a criminal defendant unless:

- *(a) The prosecution has determined that the defendant will not be tried for the criminal offense;*
- *(b) The prosecution has made a motion before the court in which the case would have been tried to destroy the evidence; and*
- *(c) The court has, following an adversarial proceeding in which the prosecution and the defendant were heard, authorized the destruction of the evidence by court order.*

(3) No item of evidence gathered by law enforcement, prosecutorial, or defense authorities that may be subject to deoxyribonucleic acid (DNA) evidence testing and analysis in order to confirm the guilt or innocence of a criminal defendant shall be disposed of following the trial unless:

- *(a) The evidence, together with DNA evidence testing and analysis results, has been presented at the trial, and the defendant has been found guilty, pled guilty, or entered an Alford plea at the trial;*
- *(b) The evidence was not introduced at the trial, or if introduced at the trial was not the subject of DNA testing and analysis, and the defendant has been found guilty, pled guilty, or entered an Alford plea at the trial, and the trial court has ordered the destruction of the evidence after an adversarial hearing conducted upon motion of either the prosecution or the defendant;*
- *(c) The trial resulted in the defendant being found not guilty or the charges were dismissed after jeopardy attached, whether or not the evidence was introduced at the trial or was subject to DNA testing and analysis or not, and the trial court ordered the destruction of the evidence after an adversarial hearing conducted upon motion of either the prosecution or the defendant; or*
- *(d) The trial resulted in the dismissal of charges against the defendant, and the defendant may be subject to retrial, in which event the evidence shall be retained until after the retrial, which shall be considered a new trial for the purposes of this section.*

(4) The burden of proof for a motion to destroy evidence that may be subject to DNA testing and analysis shall be upon the party making the motion, and the court may permit the destruction of the evidence under this section upon good cause shown favoring its destruction.

(5) It is recognized by the General Assembly that the DNA evidence laboratory testing and analysis procedure consumes and destroys a portion of the evidence or may destroy all of the evidence if the sample is small. The consuming and destruction of evidence during the laboratory analysis process shall not result in liability for its consumption or

destruction if the following conditions are met:

(a) The Kentucky State Police laboratory uses a method of testing and analysis which preserves as much of the biological material or other evidence tested and analyzed as is reasonably possible; or

(b) If the Kentucky State Police laboratory knows or reasonably believes that the entire sample of evidence to be tested and analyzed that the laboratory, prior to the testing or analysis of the evidence, notifies in writing the court which ordered the testing and analysis and counsel for all parties:

1. That the entire sample of evidence may be destroyed by the testing and analysis;

2. The possibility that another laboratory may be able to perform the testing and analysis in a less destructive manner with at least equal results;

3. The name of the laboratory capable of performing the testing and analysis, the costs of testing and analysis, the advantages of sending the material to that other laboratory, and the amount of biological material or other evidence which might be saved by alternative testing and analysis; and

4. The Kentucky State Police laboratory follows the directive of the court with regard to the testing and analysis; or

(c) If the Kentucky State Police laboratory knows or reasonably believes that so much of the biological material or evidence may be consumed or destroyed in the testing and analysis that an insufficient sample will remain for independent testing and analysis that the laboratory follows the procedure specified in paragraph (b) of this subsection.

(6) Destruction of evidence in violation of this section shall be a violation of KRS 524.100.

(7) Subject to subsection (6) of Section 1 of this Act, the appropriate governmental entity shall retain any biological material secured in connection with a criminal case for the period of time that any person remains incarcerated in connection with that case. The governmental entity shall have the discretion to determine how the evidence is retained pursuant to this section, provided that the evidence is retained in a condition suitable for DNA testing and analysis.

SECTION 11. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

(1) Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of this Act shall become effective on the normal effective date for legislation passed at the 2002 Regular Session of the General Assembly.

(2) Implementation of Sections 1, 2, 3, 4, and 10 of this Act shall occur on the normal effective date, however, actual compliance with the provisions of Sections 5, 6, 7, 8, and 9 of this Act may be delayed until funding is available for their full implementation.

(3) As funding becomes available, Sections 5, 6, 7, 8, and 9 of this Act shall be implemented in their numerical order. As a section is implemented, the Reviser of Statutes shall be notified by the Secretary of Justice, in writing, as to the date of implementation. DNA sample collection and testing shall apply to any person meeting the criteria of Section 5, 6, 7, 8, or 9 of this Act as of the effective date of this Act and not the date of implementation of the testing.

(4) Once implementation of a provision of Section 5, 6, 7, 8, or 9 of this Act is begun it shall not be discontinued.

HB 154, AN ACT relating to the Kentucky Law Enforcement Council.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.330 is amended to read as follows:

(1) The council is vested with the following functions and powers:

(a) To prescribe standards for the approval and continuation of approval of schools at which law enforcement training courses required under KRS 15.310 to 15.510 and KRS 15.990 to 15.992 shall be conducted, including but not limited to minimum standards for facilities, faculty, curriculum, and hours of attendance related thereto;

(b) To prescribe minimum qualifications for instructors at such schools, except that institutions of higher education shall be exempt from council requirements;

(c) To prescribe qualifications for attendance and conditions for expulsion from such schools;

(d) *To prescribe minimum standards and qualifications for voluntary career development programs for certified peace officers and telecommunicators, including minimum standards for experience, education, and training, and to issue certificates to those meeting the minimum standards;*

(e) To approve, to issue, and to revoke for cause certificates to schools and instructors as having met requirements under KRS 15.310 to 15.510 and KRS 15.990 to 15.992;

(f)[~~(e)~~] To approve law enforcement officers and other persons as having met requirements under KRS 15.310 to 15.510 and KRS 15.990 to 15.992;

(g)[~~(f)~~] To inspect and evaluate schools at any time and to require of schools, instructors, and persons approved or to be approved under the provisions of KRS 15.310 to 15.510 and KRS 15.990 to 15.992, any information or

documents;

(h)[~~(g)~~] To promulgate reasonable rules and administrative regulations in accordance with KRS Chapter 13A to accomplish the purposes of KRS 15.310 to 15.510 and KRS 15.990 to 15.992;

(i)[~~(h)~~] To monitor the Law Enforcement Foundation Program as prescribed in KRS 15.410 to 15.510;

(j)[~~(i)~~] To adopt bylaws for the conduct of its business not otherwise provided for; and

(k)[~~(j)~~] The council shall have the authority to certify police officers as set out in this chapter.

(2) The provisions of KRS 15.310 to 15.510 and KRS 15.990 to 15.992 do not apply to the Department of State Police except for the certification requirement established by this chapter.

HB 273, AN ACT relating to the submission of documents regarding Kentucky permits and taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 325 IS CREATED TO READ AS FOLLOWS:

A certified public accountant licensed in the Commonwealth under the provisions of this chapter with express written authorization of a client may act as an agent of that client to:

(1) Complete, sign, and file an application for a seller's permit to do business as provided in Section 2 of this Act;

(2) Complete, sign, and file the forms required or requested by the Revenue Cabinet for the collection of Kentucky use tax as required by KRS 139.340;

(3) Complete, sign, and file an application for a seller's permit for any out-of-state retailer who is not required to file for the collection of use tax under KRS 139.340 but is seeking to do so on a voluntary basis as provided by KRS 139.200;

(4) Complete, sign, and file an application for a general business license as provided for in KRS 154.12-219. A certified public accountant acting under this subsection shall remit the license fee required under KRS 154.12-219 with the application and may seek reimbursement from the applicant for that fee;

(5) Complete, sign, and file an application for a certificate of registration to sever or process coal in this state as required by KRS 143.030; and

(6) Complete, sign, and file an application for an employer's withholding, corporation income, and corporation license tax registration numbers as may be required by KRS 131.130.

Section 2. KRS 139.240 is amended to read as follows:

(1) Every person presently engaged or desiring to engage in or conduct business as a seller within this state shall file with the cabinet an application for a permit for each place of business.

(2) Every application for a permit shall:

(a) Be made upon a form prescribed by the cabinet;

(b) Set forth the name under which the applicant transacts or intends to transact business and the location of his place or places of business;

(c) Set forth such other information as the cabinet may require.

(3) *The application shall be signed by:*

(a) The owner, if he or she is a natural person;

(b) A member or partner, if the entity is an association, limited liability company, limited liability partnership, or partnership;

(c) An executive officer, if the entity is a corporation; or

(d) A licensed certified public accountant specifically authorized by and acting on behalf of an owner, an association, a partnership, a limited liability company, a limited liability partnership, or a corporation.

[~~The application shall be signed by the owner if he is a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority.~~]

Section 3. KRS 143.030 is amended to read as follows:

(1) Every individual, partnership, joint venture, association, *limited liability company, limited liability partnership,* or corporation engaged in severing *or*[~~and/or~~] processing coal shall, prior to July 1, 1978, or prior to severing *or*[~~and/or~~] processing coal in this Commonwealth, file an application for a certificate of registration in such form as the cabinet may prescribe. Every application shall be signed by*:*

(a) The owner if a natural person;[~~ in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application~~]

(b) A member or partner if the entity is an association, limited liability company, limited liability partnership, or

partnership;

(c) An executive officer if the entity is a corporation; or

(d) A licensed certified public accountant acting on behalf of the owner, association, partnership, limited liability company, limited liability partnership, or corporation.

(2) On or before the twentieth day of the month following the reporting period in which any coal is severed ***or***~~[and/or]~~ processed, the taxpayer severing ***or***~~[and/or]~~ processing such coal shall file with the cabinet a tax return in such form as the cabinet may require and remit the amount of the tax due. A tax return is required for each reporting period even though there may be no tax liability.

(3) Whenever any taxpayer fails to comply with any provisions of this chapter, or any rule or regulation of the cabinet relating thereto, the cabinet may order the suspension or revocation of the certificate of registration held by such taxpayer.

(4) Any taxpayer, including any officer of a corporation, who conducts a coal severing ***or***~~[and/or]~~ processing operation in this state without obtaining a certificate of registration or after a certificate of registration has been suspended or revoked, shall be guilty of a misdemeanor and upon conviction therefor, shall be fined an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or imprisoned for a period not to exceed six (6) months or both such fine and imprisonment.

The Committee Substitute to **HB 273** is as follows:

HB 273, AN ACT relating to the submission of documents regarding Kentucky permits and taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 325 IS CREATED TO READ AS FOLLOWS:

A certified public accountant licensed in the Commonwealth under the provisions of this chapter, or an attorney licensed to practice law in the Commonwealth of Kentucky, with express authorization of a client may act as an agent of that client to:

(1) Complete, sign, and file an application for a seller's permit to do business as provided in Section 2 of this Act;

(2) Complete, sign, and file an application for a seller's permit for any out-of-state retailer who is not required to file for the collection of use tax under KRS 139.340 but is seeking to do so on a voluntary basis as provided by KRS 139.700;

(3) Complete, sign, and file an application for a general business license as provided for in KRS 154.12-219. A certified public accountant acting under this subsection shall remit the license fee required under KRS 154.12-219 with the application and may seek reimbursement from the applicant for that fee;

(4) Complete, sign, and file an application for a certificate of registration to sever or process coal in this state as required by KRS 143.030; and

(5) Complete, sign, and file an application for an employer's withholding, corporation income, and corporation license tax registration numbers as may be required by KRS 131.130.

Section 2. KRS 139.240 is amended to read as follows:

(1) Every person presently engaged or desiring to engage in or conduct business as a seller within this state shall file with the cabinet an application for a permit for each place of business.

(2) Every application for a permit shall:

(a) Be made upon a form prescribed by the cabinet;

(b) Set forth the name under which the applicant transacts or intends to transact business and the location of his place or places of business;

(c) Set forth such other information as the cabinet may require.

(3) ***The application shall be signed by:***

(a) The owner, if he or she is a natural person;

(b) A member or partner, if the entity is an association, limited liability company, limited liability partnership, or partnership;

(c) An executive officer, if the entity is a corporation, or some person specifically authorized by the corporation to sign the application, to which shall be attached written evidence of his or her authority; or

(d) A licensed certified public accountant, or an attorney licensed to practice law in the Commonwealth of Kentucky, specifically authorized by and acting on behalf of an owner, an association, a partnership, a limited liability company, a limited liability partnership, a corporation, or other business entity.

~~[The application shall be signed by the owner if he is a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority.]~~

Section 3. KRS 143.030 is amended to read as follows:

(1) Every individual, partnership, joint venture, association, ***limited liability company, limited liability partnership,***[~~ or~~] corporation***, or other business entity*** engaged in severing ***or***[~~and/or~~] processing coal shall, prior to July 1, 1978, or prior to severing ***or***[~~and/or~~] processing coal in this Commonwealth, file an application for a certificate of registration in such form as the cabinet may prescribe. Every application shall be signed by***:***

(a) The owner if a natural person;[~~ in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application~~]

(b) A member or partner if the entity is an association, limited liability company, limited liability partnership, or partnership;

(c) An executive officer, if the entity is a corporation, or some person specifically authorized by the corporation to sign the application, to which shall be attached written evidence of his or her authority; or

(d) A licensed certified public accountant, or an attorney licensed to practice law in the Commonwealth of Kentucky, acting on behalf of the owner, association, partnership, limited liability company, limited liability partnership, corporation, or other business entity.

(2) On or before the twentieth day of the month following the reporting period in which any coal is severed ***or***[~~and/or~~] processed, the taxpayer severing ***or***[~~and/or~~] processing such coal shall file with the cabinet a tax return in such form as the cabinet may require and remit the amount of the tax due. A tax return is required for each reporting period even though there may be no tax liability.

(3) Whenever any taxpayer fails to comply with any provisions of this chapter, or any rule or regulation of the cabinet relating thereto, the cabinet may order the suspension or revocation of the certificate of registration held by such taxpayer.

(4) Any taxpayer, including any officer of a corporation, who conducts a coal severing ***or***[~~and/or~~] processing operation in this state without obtaining a certificate of registration or after a certificate of registration has been suspended or revoked, shall be guilty of a misdemeanor and upon conviction therefor, shall be fined an amount not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or imprisoned for a period not to exceed six (6) months or both such fine and imprisonment.

HB 387, AN ACT relating to real property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 413.010 is amended to read as follows:

Subject to subsection (8) of Section 2 of this Act, an action for the recovery of real property may be brought only within fifteen (15) years after the right to institute it first accrued to the plaintiff, or to the person through whom he claims.

Section 2. KRS 411.190 is amended to read as follows:

(1) As used in this section:

(a) "Land" means land, roads, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to the realty***;***[~~.~~]

(b) "Owner" means the possessor of a fee, reversionary, or easement interest, a tenant, lessee, occupant, or person in control of the premises***;***[~~.~~]

(c) "Recreational purpose" includes, but is not limited to, any of the following, or any combination thereof: hunting, fishing, swimming, boating, camping, picnicking, hiking, bicycling, horseback riding, pleasure driving, nature study, water-skiing, winter sports, and viewing or enjoying historical, archaeological, scenic, or scientific sites***; and***[~~.~~]

(d) "Charge" means the admission price or fee asked in return for invitation or permission to enter or go upon the land but does not include fees for general use permits issued by a government agency for access to public lands if the permits are valid for a period of not less than thirty (30) days.

(2) The purpose of this section is to encourage owners of land to make land and water areas available to the public for recreational purposes by limiting their liability toward persons entering thereon for such purposes.

(3) Except as specifically recognized by or provided in subsection (6) of this section, an owner of land owes no duty of care to keep the premises safe for entry or use by others for recreational purposes, or to give any warning of a dangerous condition, use, structure, or activity on the premises to persons entering for such purposes.

(4) Except as specifically recognized by or provided in subsection (6) of this section, an owner of land who either directly or indirectly invites or permits without charge any person to use the property for recreation purposes does not thereby:

(a) Extend any assurance that the premises are safe for any purpose***;***[~~.~~]

(b) Confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed***; or***[~~.~~]

(c) Assume responsibility for or incur liability for any injury to person or property caused by an act or omission of those persons.

(5) Unless otherwise agreed in writing, the provisions of subsections (3) and (4) of this section shall be deemed applicable to the duties and liability of an owner of land leased to the state or any subdivision thereof for recreational purposes.

(6) Nothing in this section limits in any way any liability which otherwise exists:

(a) For willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity***; or***~~[.]~~

(b) For injury suffered in any case where the owner of land charges the person or persons who enter or go on the land for the recreational use thereof, except that in the case of land leased to the state or a subdivision thereof, any consideration received by the owner for the lease shall not be deemed a charge within the meaning of this section.

(7) Nothing in this section shall be construed to:

(a) Create a duty of care or ground of liability for injury to persons or property***;***~~[.]~~

(b) Relieve any person using the land of another for recreational purposes from any obligation which he may have in the absence of this section to exercise care in his use of the land and in his activities thereon, or from the legal consequences of failure to employ such care***; or***

(c) Ripen into a claim for adverse possession.

(8) No action for the recovery of real property, including establishment of prescriptive easement, right-of-way, or adverse possession, may be brought by any person whose claim is based on use for recreational purposes.

HB 412, AN ACT relating to unlawful possession of a weapon on school property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 527.070 is amended to read as follows:

(1) A person is guilty of unlawful possession of a weapon on school property when he knowingly deposits, possesses, or carries, whether openly or concealed, for purposes other than instructional or school-sanctioned ceremonial purposes, or the purposes permitted in subsection (3) of this section, any firearm or other deadly weapon, destructive device, or booby trap device in any public or private school building or bus, on any public or private school campus, grounds, recreation area, athletic field, or any other property owned, used, or operated by any board of education, school, board of trustees, regents, or directors for the administration of any public or private educational institution. The provisions of this section shall not apply to institutions of postsecondary or higher education.

(2) Each chief administrator of a public or private school shall display ***at all entrances to school buildings whether or not in general use by the public, at all entrances to sports arenas, gymnasiums, stadiums, cafeterias, and at fifty (50) foot intervals on the perimeter of all open areas owned, operated, leased, or controlled by the school***~~[about the school in prominent locations, including, but not limited to, sports arenas, gymnasiums, stadiums, and cafeterias]~~, a sign at least six (6) inches high and fourteen (14) inches wide stating:

UNLAWFUL POSSESSION OF A WEAPON ON SCHOOL
PROPERTY IN KENTUCKY IS A FELONY PUNISHABLE
BY A MAXIMUM OF FIVE (5) YEARS IN PRISON AND A
TEN THOUSAND DOLLAR ($10,000) FINE.

Failure to post the ***required signs***~~[sign]~~ shall ***prohibit prosecution***~~[not relieve any person of liability]~~ under this section.

(3) The provisions of this section prohibiting the unlawful possession of a weapon on school property shall not apply to:

(a) An adult who possesses a firearm, if the firearm is contained within a vehicle operated by the adult and is not removed from the vehicle, except for a purpose permitted herein, or brandished by the adult, or by any other person acting with expressed or implied consent of the adult, while the vehicle is on school property;

(b) Any pupils who are members of the reserve officers training corps or pupils enrolled in a course of instruction or members of a school club or team, to the extent they are required to carry arms or weapons in the discharge of their official class or team duties;

(c) Any peace officer or police officer authorized to carry a concealed weapon pursuant to KRS 527.020;

(d) Persons employed by the Armed Forces of the United States or members of the National Guard or militia when required in the discharge of their official duties to carry arms or weapons;

(e) Civil officers of the United States in the discharge of their official duties. Nothing in this section shall be construed as to allow any person to carry a concealed weapon into a public or private elementary or secondary school building;

(f) Any other persons, including, but not limited to, exhibitors of historical displays, who have been authorized to carry a firearm by the board of education or board of trustees of the public or private institution;

(g) A person hunting during the lawful hunting season on lands owned by any public or private educational institution and designated as open to hunting by the board of education or board of trustees of the educational institution;

(h) A person possessing unloaded hunting weapons while traversing the grounds of any public or private educational institution for the purpose of gaining access to public or private lands open to hunting with the intent to hunt on the public or private lands, unless the lands of the educational institution are posted prohibiting the entry; or

(i) A person possessing guns or knives when conducting or attending a "gun and knife show" when the program has been approved by the board of education or board of trustees of the educational institution.

(4) Unlawful possession of a weapon on school property is a Class D felony.

HB 445, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 218A.992 is amended to read as follows:

(1) Other provisions of law notwithstanding, any person who is convicted of any violation of this chapter who***,***[~~ was~~] at the time of the commission of the offense***, used or carried***[~~in possession of~~] a firearm ***or who, in furtherance of the offense, was in possession of a firearm***[~~,~~] shall:

(a) Be penalized one (1) class more severely than provided in the penalty provision pertaining to that offense if it is a felony; or

(b) Be penalized as a Class D felon if the offense would otherwise be a misdemeanor.

(2) The provisions of this section shall not apply to a violation of KRS 218A.210.

HB 458, AN ACT relating to guardianship and conservatorship for disabled persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 387.605 is amended to read as follows:

(1) In appointing a person as guardian or conservator, the court shall first consider appointing a person holding a durable power of attorney, as defined in KRS 386.093, for the respondent. The court shall not appoint the person holding a durable power of attorney only if:

(a) The person declines the appointment; or

(b) The court determines that it is not in the best interests of the respondent to appoint the person holding a durable power of attorney as guardian or conservator.

(2) If the court does not appoint a guardian or conservator under subsection (1) of this section, the court shall give preference to people who meet the following qualifications when appointing a person as guardian or conservator:

(a)[~~(1)~~] Kinship to respondent;

(b)[~~(2)~~] Education and business experience of applicant;

(c)[~~(3)~~]Capability to handle financial affairs; and

(d)[~~(4)~~] Ability to carry out the requirements set forth in KRS 387.660 to 387.710 and 387.750.

Section 2. KRS 387.570 is amended to read as follows:

(1) At a hearing convened pursuant to KRS 387.500 to 387.770 for the purpose of determining the disability of a respondent, the respondent shall have a jury trial***, except when the court, county attorney, respondent or respondent's representative, respondent's legal counsel, and respondent's parents, brothers and sisters eighteen (18) years of age or older, and children eighteen (18) years of age or older all agree to waive the jury trial. The respondent***[~~and~~] shall ***always*** have the right to present evidence and to confront and cross-examine all witnesses.

(2) The hearing may be closed to the public on request of the respondent or his counsel.

(3) The respondent shall be present at the hearing, and his presence may be waived only upon a determination of the court that his attendance would subject him to serious risk of harm. Such determination shall be evidence only of the respondent's inability to attend the hearing and shall not be considered in determining the need for guardianship or conservatorship.

(4) The court may remove itself to the place of residence of the respondent to conduct the hearing in the presence of the respondent.

(5) The burden of proof shall be on the Commonwealth to prove the disability or partial disability of the respondent by clear and convincing evidence.

(6) The respondent will not be determined partially disabled or disabled unless at least one (1) of the persons who participated in the interdisciplinary evaluation required by KRS 387.540 testifies in person at the hearing. This section shall not be interpreted to preclude the respondent from requiring the testimony of more than one (1) person participating in the preparation of the evaluation report.

Section 3. KRS 387.580 is amended to read as follows:

(1) At a hearing convened under KRS 387.500 to 387.770 for a determination of partial disability or disability, the ***court, or***

the jury***, if one is impaneled,*** shall:

(a) Inquire into the nature and extent of the general intellectual functioning of the respondent;

(b) Inquire into the respondent's capacity to make informed decisions concerning his personal affairs and financial resources;

(c) Determine whether the respondent is disabled, partially disabled, or has no disability in relation to the management of his financial resources; and

(d) Determine whether the respondent is disabled, partially disabled, or has no disability in relation to the management of his personal affairs.

(2) If the respondent is found not to be disabled or partially disabled, the petition shall be dismissed.

(3) If the respondent is found to be disabled or partially disabled, the court shall, at the same hearing, without a jury, determine:

(a) The type of guardian or conservator to be appointed;

(b) The specific legal disabilities to which the respondent is subject, if the respondent has been determined to be partially disabled;

(c) The corresponding powers and duties of the limited guardian or limited conservator, if the respondent has been determined to be partially disabled;

(d) The individual or entity to be appointed by the court as limited guardian, guardian, limited conservator, or conservator;

(e) The individual or entity, if any, to be appointed as standby guardian or conservator; and

(f) The duration of the term of guardianship or conservatorship.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bill has been withdrawn for Committee consideration:

Banking and Insurance: **HB 5**

Motions, Petitions, and Communications (Continued)

Representative Coleman moved the adoption of the following **HR 98**:

HR 98, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Anna Lee Taylor.

With deepest respect and admiration, we pay homage and tribute to Anna Lee Taylor, and we pause in silent reverence for her soul.

WHEREAS, Anna Lee Taylor was born on February 7, 1928, a native of Perryville, Boyle County, Kentucky, and she traversed these earthly bounds on January 5, 2002; and

WHEREAS, Anna Lee Taylor was the loving daughter of the late Willie and Katie Anderson Bailey; she was the devoted wife of fifty-five years to Roy Taylor, the loving mother of two daughters, Mary Catherine Goodlett of Burgin, and Anna Rose Chilton of Frankfort, and she was the proud grandmother of four grandchildren and four great-grandchildren; and

WHEREAS, Anna Lee Taylor was a longtime resident of Burgin, Mercer County, Kentucky; she was a member of Shawnee Run Baptist Church, and she was a former employee of Cricketeer Corporation and Mercer Dress Company; and

WHEREAS, the passing of Anna Lee Taylor has left a void that cannot be filled, and she is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. This honorable body does hereby express its utter sense of bereavement upon the passing of Anna Lee Taylor, and extends to her family and friends its most profound and deepest sympathy.

Section 2. When the House of Representatives adjourns this day, it does so in loving memory and honor of Anna Lee Taylor.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit copies of this Resolution to Ms. Anna Rose Chilton, 422 Harrodswood, Apartment 4, Frankfort, Kentucky 40601 and to Ms. Mary Catherine Goodlett, 215 High Street, Burgin, Kentucky 40330.

There being no objection **HR 98** was adopted.

Representative Meeks moved to withdraw **HR 44**. Agreed.

Representative Hoffman moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Hoffman moved that he be recorded as voting "yea" on **HB 350**. Agreed.

Representative Horlander moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Horlander moved that he be recorded as voting "yea" on **HB 325**. Agreed.

Report On Enrolled Bills

The Committee on Enrollment reported that **HB 1** has been examined and found correctly enrolled. Said Bill was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time -5:50 p.m.)

Motions, Petitions, and Communications (Continued)

Representative J. Adams moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative J. Adams moved that he be recorded as voting "yea" on **HB 218, HB 258, HB 288, HB 325, HB 69, HB 254, HB 347, HB 350, HB 393, HB 45, HB 231, HB 358, HB 26, HB 175,** and **HCR 23**. Agreed.

Report On Enrolled Bills (Continued)

HB 1 was delivered to the Senate and signed by the President. Delivered to the Governor on January 31, 2002, at 6:02 p.m.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 to the Committee Substitute to **HB 144**, by Representative Vincent:

On page 6, line 23, delete the period and insert in lieu thereof "***; however, if the court in which the civil action is pending finds that the witness is a necessary witness for trial, that court may order the personal attendance of the witness at trial.***"

Floor Amendment No. 1 to the Committee Substitute to **HB 332**, by Representative Upchurch:

On page 1, line 1, after "Section 1.", by inserting the following:

"KRS 161.158 is amended to read as follows:

(1) (a) Each district board of education may form its employees into a group or groups or recognize existing groups for the purpose of obtaining the advantages of group life, disability, medical, and dental insurance, or any group insurance plans to aid its employees including the state employee health insurance group as described in KRS 18A.225, as long as the employees continue to be employed by the board of education. Medical and dental group insurance plans obtained under authority of this section may include insurance benefits for the families of the insured group or groups of employees. Any district board of education may pay all or part of the premium on the policies, and may deduct from the salaries of the employees that part of the premium which is to be paid by them and may contract with the insurer to provide the above benefits. As permitted in KRS 160.280(5), board members shall be eligible to participate in any group medical or dental insurance provided by the district for employees.

(b) If a district board of education participates in the state employee health insurance program, as described in KRS 18A.225, for its active employees and terminates participation and there is a state appropriation approved by the General Assembly for the employer's contribution for active employees' health insurance coverage, neither the board of education nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

(2) Each district board of education shall adopt policies or regulations which will provide for deductions from salaries of its employees or groups of employees whenever a request is presented to the board by said employees or groups thereof. The deductions shall be made from salaries earned in at least eight (8) different pay periods, and shall be remitted to the appropriate organization or association as specified by the employees within thirty (30) days following the deduction provided the district has received appropriate invoices or necessary documentation. The deductions may be made for, but are not limited to, membership dues, tax-sheltered annuities, and group insurance premiums. With the exception of membership dues, the board shall not be required to make more than one (1) remittance of amounts deducted during a pay

period for a separate type of deduction. Health insurance, life insurance, and tax-sheltered annuities shall be interpreted as separate types of deductions. When amounts have been correctly deducted and remitted by the board, the board shall bear no further responsibility or liability for subsequent transaction.

(3) Payments and deductions made by the board of education under the authority of this section are presumed to be for services rendered and for the benefit of the common schools, and the payments and deductions shall not affect the eligibility of any school system to participate in the public school funding program as established in KRS Chapter 157.

(4) Attorneys hired by the district board of education, pursuant to KRS 160.160 and 160.290, to provide legal advice to the board on a regular basis shall be deemed to be employees of the school district for the sole purpose of participating in the school district's group medical and dental insurance plans, at the discretion of the district board of education.

Section 2."

Floor Amendment No. 1 to Committee Substitute 2 to **HB 177**, by Representative Heleringer:

On page 9, after line 24, by inserting the following:

"Section 1. To carry out the provisions of Sections 1 and 2 of this Act, there is hereby appropriated $5,500 for fiscal year 2003 and $5,500 for fiscal year 2004 from the General Fund to the Cabinet for Health Services. To carry out the provisions of Sections 3 and 4 of this Act, there is hereby appropriated $7,000 for fiscal year 2003 and $7,000 for fiscal year 2004 from the General Fund to the Cabinet for Health Services, Department for Mental Health and Mental Retardation Services to be utilized by the regional mental health and mental retardation boards. Any funds not expended during fiscal year 2003 may be carried forward to fiscal year 2004.".

Floor Amendment No. 1 to the Committee Substitute to **HB 183**, by Representative Lindsay:

On page 2, line 12 by deleting all new language.

Floor Amendment No. 2 to **HB 452**, by Representative Wilkey:

On page 1, line 23 delete "***fifty dollars ($50)***" and insert in lieu thereof "***twenty-five dollars ($25)***";

On page 4, line 24 delete "***fifty dollars ($50)***" and insert in lieu thereof "***twenty-five dollars ($25)***";

On page 8, line 18 through page 10, line 4, delete Section 9 in its entirety in insert in lieu thereof the following "SECTION 9. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established the court cost distribution fund, which is created to provide a central account into which the court costs collected by all circuit clerks, under subsection (1) of Section 1 of this Act and subsection (1) of Section 4 of this Act, shall be paid.

(2) The fund shall be administered by the Finance and Administration Cabinet, which shall make monthly disbursements from the fund according to the following schedule:

(a) Forty-nine percent (49%) of each court cost shall be paid into the general fund;

(b) Ten and eight-tenths percent (10.8%) of each court cost shall be paid into the State Treasury for the benefit and use of the Kentucky Local Correctional Facilities Construction Authority under KRS 441.605 to 441.695;

(c) Six and one-half percent (6.5%) of each court cost shall be paid into the spinal cord and head injury research trust fund created in KRS 211.504;

(d) Five and one-half percent (5.5%) of each court cost shall be paid into the traumatic brain injury trust fund created in KRS 211.476;

(e) Five percent (5%) of each court cost shall be paid into a trust and agency account with the Administrative Office of the Courts and is to be used by the circuit clerk to hire additional deputy clerks and to enhance deputy clerk salaries;

(f) Three and one-half percent (3.5%) of each court cost shall be paid to a special trust and agency account that shall not lapse for the Department of Public Advocacy;

(g) Three and four-tenths percent (3.4%) of each court cost shall be paid into the crime victims' compensation fund created in KRS 346.185;

(h) Seven-tenths of one percent (0.7%) of each court cost shall be paid to the Justice Cabinet to defray the costs of conducting record checks on prospective firearms purchasers pursuant to the Brady Handgun Violence Prevention Act and for the collection, testing, and storing of DNA samples;

(i) Ten and one-tenth percent (10.1%) of each court cost deposited in the fund shall be paid to the county sheriff in the county from which the court cost was received; and

(j) Five and one-half percent (5.5%) of each court cost deposited in the fund shall be paid to the county treasurer

in the county from which the court cost was received and shall be used by the fiscal court in that county for the purposes of defraying the costs of operation of the county jail and the transportation of prisoners.

(3) Any moneys remaining in the fund after the monthly disbursements in subsection (2) shall be paid into the general fund.";

On page 40, line 16 delete "***(f)***" and insert in lieu thereof "***(g)***";

On page 41, line 10 through page 42, line 16, delete Section 27 in its entirety and insert in lieu thereof the following "Section 27. KRS 431.100 is amended to read as follows:

(1) ***When a money judgment is entered against a defendant in a criminal proceeding and each sum, or any part thereof, remains unpaid, there shall be withheld from any disbursement, payment, benefit, compensation, salary, or other transfer of money from the Commonwealth of Kentucky to such defendant an amount equal to the unpaid amount of the judgment. Under no circumstances shall the general revenue fund be used to reimburse court costs or pay for judgment.***

(2) Except as provided in this section, all fines and forfeitures imposed by law or ordinance shall inure to and vest in the Commonwealth.

(3)[~~(2)~~] Fines and forfeitures imposed by law for violation of KRS 222.202 or ordinances relating to similar subject matter shall inure to and vest in the Commonwealth and shall be placed in a special fund in the State Treasury, which shall not lapse, and which, effective July 1, 1987, shall be used solely by the Cabinet for Health Services for the provision of treatment and counseling programs for alcoholics.

[~~(3) Fines for violation of KRS 512.070 shall be transferred by the circuit clerk to the county treasurer for inclusion in the general fund of the county in which the offense occurs.~~]

(4) [~~Court costs assessed pursuant to KRS 610.360 shall be placed in a trust and agency account in the State Treasury which shall be subject to appropriation by the General Assembly for the purposes of providing services and programs and for matching funds for grants for providing services and programs to juvenile public offenders.~~

~~(5)~~]The court shall not order a fine, forfeiture, service fee, cost, or any other money due the ***Commonwealth***[~~state~~] or any other public officer paid to any person or organization other than one specifically required by ***the Kentucky Revised Statutes,***[~~statute~~] nor shall a court suspend payment of a fine, forfeiture, service fee, cost, or any other money due the ***Commonwealth***[~~state~~] if the defendant makes a payment to another person or organization***, unless so authorized by the court and the Kentucky Revised Statutes.***

(5) When, as authorized in the Kentucky Revised Statutes, a court does order a fine, forfeiture, service fee, cost, or any other monetary penalty to be paid to a person other than the circuit clerk, notice of this order will be served on the defendant and a copy of the order will be delivered to the person. Such an order constitutes a judgment of the court and carries with it all lawful means of enforcement and collection."; and

On page 62, line 26 delete "***fifty dollars ($50)***" and insert in lieu thereof "***twenty-five dollars ($25)***".

Floor Amendment No. 2 to the Committee Substitute to **HB 183**, by Representative Wilkey:

On page 5, line 3, after "of" insert "***life***"; and

On page 5, line 4, bracket and strikethrough "insured or"; and

On page 5, line 4, after "beneficiary" insert "***or under any other contract of insurance wherein the claimant is the insured or the beneficiary***".

Floor Amendment No. 1 to **HB 338**, by Representative Stein:

On page 1, line 25, by inserting "***and service animals, as defined in KRS 525.010, of those departments***" after "sworn peace officers of those departments"; and

On page 3, line 2, by inserting "***for either officers or service animals, as that term is defined in KRS 525.010,***" after "solely for the purchase of body armor".

Floor Amendment No. 2 to **HB 332**, by Representative Upchurch:

On page 1, line 1, after "Section 1.", by inserting the following:

"KRS 161.158 is amended to read as follows:

(1) (a) Each district board of education may form its employees into a group or groups or recognize existing groups for the purpose of obtaining the advantages of group life, disability, medical, and dental insurance, or any group insurance plans to aid its employees including the state employee health insurance group as described in KRS 18A.225, as long as the employees continue to be employed by the board of education. Medical and dental group insurance

plans obtained under authority of this section may include insurance benefits for the families of the insured group or groups of employees. Any district board of education may pay all or part of the premium on the policies, and may deduct from the salaries of the employees that part of the premium which is to be paid by them and may contract with the insurer to provide the above benefits. As permitted in KRS 160.280(5), board members shall be eligible to participate in any group medical or dental insurance provided by the district for employees.

(b) If a district board of education participates in the state employee health insurance program, as described in KRS 18A.225, for its active employees and terminates participation and there is a state appropriation approved by the General Assembly for the employer's contribution for active employees' health insurance coverage, neither the board of education nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

(2) Each district board of education shall adopt policies or regulations which will provide for deductions from salaries of its employees or groups of employees whenever a request is presented to the board by said employees or groups thereof. The deductions shall be made from salaries earned in at least eight (8) different pay periods, and shall be remitted to the appropriate organization or association as specified by the employees within thirty (30) days following the deduction provided the district has received appropriate invoices or necessary documentation. The deductions may be made for, but are not limited to, membership dues, tax-sheltered annuities, and group insurance premiums. With the exception of membership dues, the board shall not be required to make more than one (1) remittance of amounts deducted during a pay period for a separate type of deduction. Health insurance, life insurance, and tax-sheltered annuities shall be interpreted as separate types of deductions. When amounts have been correctly deducted and remitted by the board, the board shall bear no further responsibility or liability for subsequent transaction.

(3) Payments and deductions made by the board of education under the authority of this section are presumed to be for services rendered and for the benefit of the common schools, and the payments and deductions shall not affect the eligibility of any school system to participate in the public school funding program as established in KRS Chapter 157.

(4) Attorneys hired by the district board of education, pursuant to KRS 160.160 and 160.290, to provide legal advice to the board on a regular basis shall be deemed to be employees of the school district for the sole purpose of participating in the school district's group medical and dental insurance plans, at the discretion of the district board of education.

Section 2."

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 45, Representative Riggs

HB 46, Representative Kerr

HB 88, Representative Riggs

HB 163, Representatives Bratcher and Tapp

HB 327, Representative Adkins

HB 371, Representative Palumbo

HB 404, Representative Kerr

HB 413, Representative Jenkins

HB 453, Representative Cherry

HB 454, Representatives Jenkins and Stein

HB 474, Representatives Cherry, Kerr, Rasche, and Walton

HB 508, Representatives J. Arnold, Crall, and Treesh.

Announcements

The following meetings were announced:

Economic Development: upon recess, Room 131

Economic Development: upon 2nd recess, Room 131

Agriculture and Small Business: No meeting today

Judiciary: Thursday, January 31, 2001, 2:00 p.m., Room 149

Adjournment

Representative Stumbo moved that the House adjourn until 9:00 a.m., on Friday February 1, 2002.

The motion that the House adjourn until 9:00 a.m., Friday February 1, 2002, was adopted by voice vote.

FRIDAY, FEBRUARY 1, 2002

EIGHTEENTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by James Hodge, Chaplain, Kentucky State Police.

The State Police Honor Guard led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives De. Butler, Nelson, and Riggs.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Senate Message

Announcing passage of **SB 70, 94, SJR 1, SJR 2, SJR 3**. (Time: 9:10 a.m.)

Representative Ballard moved that the reading of the Journal of January 31, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Introduction of Bills and Resolutions

HB 560, by Representative Ballard: AN ACT relating to concealed deadly weapon licenses.

HB 561, by Representative Lindsay: AN ACT relating to monetary penalties in criminal cases.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Banking and Insurance: **HB 554**

Education: **HB 553, 555**

Elections, Constitutional Amendments, and Intergovernmental Affairs: **HB 559, HCR 104**

Judiciary: **HB 551, 552**

Labor and Industry: **HB 557**

Tourism Development and Energy: **HB 556**

Transportation: **HB 550, 558, HJR 102**

House Floor: **HR 103, 105**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 505, HB 522, HB 528, HB 532, HCR 52, HCR 53, HCR 54, HCR 55, HCR 56, HCR 57, HCR 58, HCR 59**

Calendar

HB 124, HB 293, HB 305, HB 314, HB 390, HB 108, HB 327, HB 369, HB 371, HB 395, HB 416, HB 421, HB 34, HB 36, HB 106, HB 316, HB 341, HB 453, HJR 77, HJR 79, HJR 85, HB 4, HB 154, HB 273, HB 387, HB 412, HB 445, and **HB 458** taken from the Calendar and ordered read at length for the second time.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report of Committees

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

The Committee on Rules reported that **HB 156, HB 164, HB 332, HB 423, HB 438, HB 442, HB 446, HB 448, HB 36, HB 106, HB 108, HB 124, HB 273, HB 305, HB 390, HB 421, HJR 77, HJR 79,** and **HJR 85** have been posted for passage in the Orders of the Day for February 4, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 184, HB 34**

Motions, Petitions, and Communications

Representative Marzian moved to suspend the Rules to act on a Resolution.

Representative Marzian moved the adoption of the following **HR 90**:

HR 90, A RESOLUTION declaring February 1, 2002 as "Safe Return Day" for individuals with Alzheimer's Disease in the Commonwealth of Kentucky.

WHEREAS, Alzheimer's disease causes millions of Americans to lose their ability to recognize familiar places and faces, and to become disoriented and lost in their neighborhoods or far from home; and

WHEREAS, this behavior can be dangerous and life-threatening to individuals with Alzheimer's disease and it is very stressful for caregivers; and

WHEREAS, the Safe Return Program of the Alzheimer's Association assists with the location, identification, and safe and timely return of individuals with Alzheimer's disease and related dementia who wander and become lost; and

WHEREAS, help is provided to reunite lost individuals with their caregivers across the nation through a network of community-based chapters, and registration in the national database of emergency phone numbers and photographs maintained by the Safe Return Program, and

WHEREAS, nationally, over 78,398 individuals with Alzheimer's disease have been registered with the Safe Return Program and the program has assisted 6,478 individuals to return home safely; and

WHEREAS, public safety, law enforcement, emergency medical personnel, and transit personnel are most likely to be called upon when a person with dementia or Alzheimer's disease has wandered; and

WHEREAS, we are proud of the professionalism of our law enforcement, public safety, emergency medical personnel, and transit personnel, we recognize and commend their efforts and sensitivity in dealing with individuals with Alzheimer's disease who have wandered; and

WHEREAS, more individuals who need assistance would be helped by the Safe Return Program; and

WHEREAS, the Safe Return Program should be incorporated into the training of public safety, emergency medical personnel, and transit personnel to help them recognize the signs of Alzheimer's disease and dementia, communicate with these individuals, and provide them with needed assistance;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. This honorable body declares Friday, February 1, 2002, to be "Safe Return Day" in the Commonwealth of Kentucky and appreciation is extended by the House of Representatives to all caregivers of individuals with Alzheimer's disease.

There being no objection **HR 90** was adopted.

Representative Marzian moved that a call of the roll be taken to show co-sponsors of **HR 90**. On the roll call for co-sponsors the vote was: **Yeas 95**. (See February 1, 2002 roll call to show co-sponsors on **HR 90** - Appendix.)

Orders of the Day

HB 57, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nunn moved the adoption of the Committee Substitute to **HB 57**. Agreed.

Representative Nunn moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 57**. Agreed.

Representative Nunn moved that **HB 57**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 1, 2002, roll call on **HB 57** - Appendix.)

HB 57, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Nunn moved that the vote by which **HB 57**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 163, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved the adoption of Committee Amendment No. 1 to **HB 163**. Agreed.

Representative Damron moved that **HB 163**, as amended, be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See February 1, 2002, roll call on **HB 163** - Appendix.)

HB 163, as amended, was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 163**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 339 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved that **HB 339** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 1 , 2002, roll call on **HB 339** - Appendix.)

HB 339 was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 339** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 422, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pasley moved the adoption of Committee Amendment No. 1 to **HB 422**. Agreed.

Representative Pasley moved that **HB 422**, as amended, be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 1, 2002, roll call on **HB 422** - Appendix.)

HB 422, as amended, was passed and the title agreed to.

Representative Pasley moved that the vote by which **HB 422**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 152, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Smith moved the adoption of the Committee Substitute to **HB 152**. Agreed.

Representative Smith moved that **HB 152**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 1, 2002, roll call on **HB 152** - Appendix.)

HB 152, by way of Committee Substitute, was passed and the title agreed to.

Representative Smith moved that the vote by which **HB 152**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 120 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McKee moved that **HB 120** be passed.

On the roll call the vote was: **Yeas 88, Nays 2**. (See February 1, 2002, roll call on **HB 120** - Appendix.)

HB 120 was passed and the title agreed to.

Representative McKee moved that the vote by which **HB 120** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 122 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Lee moved that **HB 122** be passed.

On the roll call the vote was: **Yeas 90, Nays 0**. (See February 1 , 2002, roll call on **HB 122** - Appendix.)

HB 122 was passed and the title agreed to.

Representative J. Lee moved that the vote by which **HB 122** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 133, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Graham moved the adoption of the Committee Substitute to **HB 133**. Agreed.

Representative Graham moved that **HB 133**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 1, 2002, roll call on **HB 133** - Appendix.)

HB 133, by way of Committee Substitute, was passed and the title agreed to.

Representative Graham moved that the vote by which **HB 133**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 157 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Arnold moved that **HB 157** be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 1, 2002, roll call on **HB 157** - Appendix.)

HB 157 was passed and the title agreed to.

Representative A. Arnold moved that the vote by which **HB 157** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 171, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Coleman moved the adoption of the Committee Substitute to **HB 171**. Agreed.

Representative Coleman moved that **HB 171**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 1**. (See February 1, 2002, roll call on **HB 171** - Appendix.)

HB 171, by way of Committee Substitute, was passed and the title agreed to.

Representative Coleman moved that the vote by which **HB 171**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 223 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wayne moved that **HB 223** be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See February 1, 2002, roll call on **HB 223** - Appendix.)

HB 223 was passed and the title agreed to.

Representative Wayne moved that the vote by which **HB 223** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 298, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Westrom moved the adoption of Committee Amendment No. 1 to **HB 298**. Agreed.

Representative Westrom moved that **HB 298**, as amended, be passed.

On the roll call the vote was: **Yeas 91, Nays 2**. (See February 1, 2002, roll call on **HB 298** - Appendix.)

HB 298, as amended, was passed and the title agreed to.

Representative Westrom moved that the vote by which **HB 298**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 338, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jenkins moved that **HB 338** be passed.

Representative Stein moved the adoption of Floor Amendment No. 1 to **HB 338**. Agreed.

Representative Jenkins moved that **HB 338**, as amended, be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See February 1, 2002, roll call on **HB 338** - Appendix.)

HB 338, as amended, was passed and the title agreed to.

Representative Jenkins moved that the vote by which **HB 338**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 386 taken from the Orders of the Day and ordered read at length for the third time. Agreed.

Representative Stumbo moved that **HB 386** be returned to the Orders of the Day and retain its position therein. Agreed.

HCR 12 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Haydon moved that **HCR 12** be adopted.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 1, 2002, roll call on **HCR 12** - Appendix.)

HCR 12 was adopted.

Representative Haydon moved that the vote by which **HCR 12** was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 20 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HJR 20** be adopted.

On the roll call the vote was: **Yeas 95, Nays 1**. (See February 1, 2002, roll call on **HJR 20** - Appendix.)

HJR 20 was adopted.

Representative Thomas moved that the vote by which **HJR 20** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 63 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Graham moved that **HCR 63** be adopted.

On the roll call the vote was: **Yeas 92, Nays 0**. (See February 1, 2002, roll call on **HCR 63** - Appendix.)

HCR 63 was adopted.

Representative Graham moved that the vote by which **HCR 63** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 196 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that **HB 196** be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See February 1, 2002, roll call on **HB 196** - Appendix.)

HB 196 was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 196** was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications, (Continued)

Representative Stumbo moved to suspend the rules to reassign **HB 468** to the Committee on Licensing and Occupations. Agreed.

Representative Stumbo moved to suspend the rules to reassign **HB 312** to the Committee on Judiciary. Agreed.

Representative Stumbo moved that the rules be suspended for Introductions of new Bills and Resolutions and Committee Reports. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 562, by Representatives Crall and Gooch: AN ACT relating to education support personnel.

HB 563, by Representative Gooch: AN ACT relating to credit risk scores.

HB 564, by Representative Gooch: AN ACT relating to insurance risk scores.

HB 565, by Representative Branham: AN ACT relating to controlled substances.

HB 566, by Representative Treesh: AN ACT relating to retirement.

HB 567, by Representatives Stumbo, Heleringer, and Wayne: AN ACT relating to income tax.

HB 568, by Representative Jenkins: AN ACT relating to retirement.

HB 569, by Representative Burch: AN ACT relating to the administrative regulations from the Cabinet for Health Services.

HB 570, by Representative Palumbo: AN ACT relating to telephone services for household goods movers.

HB 571, by Representatives Richards, Geveden, and Wilkey: AN ACT relating to intimidation and retaliation against participants in the legal process.

HR 106, by Representative Vincent: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Arlie Wheeler.

HR 107, by Representative Hoover: A RESOLUTION recognizing February 6 as "Ronald Reagan Day" in the Commonwealth of Kentucky.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Agriculture and Small Business: **HCR 95**

Appropriations and Revenue: **HB 161, HB 280, HB 396, HB 405, SB 54**

Banking and Insurance: **HB 368, HB 439, HB 481, HB 510, HB 514**

Judiciary: **HB 30, HB 228, HB 265, HB 401, HB 493, HB 515, HJR 61, HJR 86**

The Clerk announced that the following Bills have been withdrawn from posting for Committee consideration:

Judiciary: **HB 53, HB 132**

Motions, Petitions and Communications, (Continued)

Representative Geveden moved to withdraw **HB 2**. Agreed.

Representative Jenkins moved to withdraw **HB 326**. Agreed.

Representative Adkins moved the adoption of the following **HR 105**:

HR 105, A RESOLUTION honoring the Kentucky Affordable Prepaid Tuition (KAPT) Program's second enrollment period.

WHEREAS, the Kentucky Affordable Prepaid Tuition (KAPT) Program's first enrollment period was from October 15, 2001, through December 3, 2001, and in only seven weeks KAPT enrolled 2,700 Kentucky children into the program; and

WHEREAS, the Kentucky Affordable Prepaid Tuition Program is Kentucky's newest vehicle that enables Kentucky families to save for their children's college education; and

WHEREAS, earnings from the KAPT program are completely tax free and KAPT provides families with a variety of enrollment and payment options; and

WHEREAS, any individual, including family members, friends, or employers, can contribute to a KAPT account set up for a specific child in order to reduce the impact that continuously rising tuition costs have on the affordability of that child's college education; and

WHEREAS, the Commonwealth's future depends upon the educational level of its citizens and the Kentucky General Assembly has provided the Kentucky Affordable Prepaid Tuition Program as a way to empower Kentucky families to keep pace with rising tuition costs and to allow more of those families' children to pursue a college education; and

WHEREAS, the Kentucky Affordable Prepaid Tuition Program's second enrollment period runs from February 1, 2002, through April 15, 2002;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives is proud to recognize the Kentucky Affordable Prepaid Tuition Program and the many benefits it offers Kentucky families in paying for their children's postsecondary education.

Section 2. The House of Representatives urges Kentucky's families to take advantage of the KAPT Program and enroll their children during the upcoming second enrollment period.

Section 3. When the House of Representatives adjourns this day, it does so in honor of the Kentucky Affordable Prepaid Tuition Program and the many families who already wisely have decided to invest in their children's future by investing in it.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Representative Rocky Adkins for presentation to the Kentucky Affordable Prepaid Tuition Program.

There being no objection **HR 105** was adopted.

Introduction of Bills and Resolutions (Continued)

HR 108, by Representative Pullin: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Eunice Mitchell Harper.

Motions, Petitions, Communications (Continued)

Representative Pullin moved the adoption of the following **HR 108**:

HR 108, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Eunice Mitchell Harper.

With deepest respect and admiration, we pay homage and tribute to Eunice Mitchell Harper, and we pause in silent reverence for her soul.

WHEREAS, Eunice Mitchell Harper was born on January 2, 1910, a native of Greenup County, Kentucky, and she traversed these earthly bounds on January 30, 2002; and

WHEREAS, Eunice Mitchell Harper was the loving daughter of the late Thomas Milton Mitchell and Carrie Dell Burgess Mitchell, and she also was preceded in death by two loving brothers, Arthur and Albert Mitchell, and a loving sister, Edna Lang; she was the devoted wife of the late James Clifford Harper, and she was the loving sister of a brother, Orra Mitchell of Raceland, and a sister, Majel Rice of South Shore; and

WHEREAS, Eunice Mitchell Harper graduated from Duke University, and she was a retired school teacher with forty-six years of experience, including Principal at McKell Schools and Superintendent for the Raceland Independent School District; and

WHEREAS, Eunice Mitchell Harper was an esteemed member of the Greenup County community where she was past president of the Maloneton Homemaker Club; she was a member of the Fraternal Order of Eastern Star, Radiance Chapter OES #427, the White Shrine of Jerusalem #35, the Daughters of America and Rebekah Lodge #6, and the Epsilon Chapter of Delta Kappa Gamma; and she also was a member of the Kentucky Retired Teachers Association and the Scioto County Retired Teachers Association; and

WHEREAS, Eunice Mitchell Harper was a devout member of First Christian Church of South Shore, where she taught Sunday School, and where her funeral services will be held on Saturday, February 2, 2002, with Billy Hayden and Frank Bryson officiating, and her burial will be in Bellefonte Memorial Gardens in Flatwoods, Kentucky; and

WHEREAS, the passing of Eunice Mitchell Harper has left a void that cannot be filled, and she is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Eunice Mitchell Harper, and extends to her family and many friends its most profound and deepest sympathy.

Section 2. The passion, dedication, intelligence, and social consciousness Eunice Mitchell Harper brought to this Commonwealth will never be forgotten.

Section 3. When the House of Representatives adjourns this day, it does so in loving memory and honor of Eunice Mitchell Harper.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mr. Orra Mitchell, 814 Raceland Avenue, Raceland, Kentucky 41169.

There being no objection **HR 108** was adopted.

Representative J. Arnold moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative J. Arnold moved that he be recorded as voting "yea" on **HB 298**. Agreed.

Representative Webb moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Webb moved that she be recorded as voting "yea" on **HB 428** and **HB 286**. Agreed.

Representative Cherry moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Cherry moved that he be recorded as voting "yea" on **HB 298**. Agreed.

Representative Meeks moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Meeks moved that he be recorded as voting "yea" on **HB 122**. Agreed.

Representative Crenshaw moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Crenshaw moved that he be recorded as voting "nay" on **HB 175**. Agreed.

Representative Crenshaw moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Crenshaw moved that he be recorded as voting "yea" on **HB 218, HB 288, HB 325, HB 69, HB 254, HB 347, HB 350, HB 393, HB 45, HB 231, HB 358, HB 26, HB 258,** and **HCR 23**. Agreed.

Representative Branham moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Branham moved that he be recorded as voting "yea" on **HB 26, HB 45, HB 69, HB 175, HB 218, HB 231, HB 254, HB 258, HB 288, HB 320, HB 325, HB 347, HB 350, HB 358, HB 393,** and **HCR 23**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 Title to **HB 4**, by Representative Lindsay:

On page 1, the title, to delete the title appearing thereon and to insert in lieu thereof: "AN ACT relating to deoxyribonucleic acid evidence in criminal cases."

Floor Amendment No. 1 to the Committee Substitute to **HB 79**, by Representative Vincent:

On page 4, line 16 through page 5, line 20 delete Section 8 in its entirety and insert in lieu thereof the following "Section 8. KRS 514.160 is amended to read as follows:

(1) A person is guilty of the theft of the identity of another when[~~, without the other's consent,~~] he or she knowingly possesses or uses any ***current or former*** identifying information of the other person ***or family member or ancestor of the other person***, such as ***that person's or family member's or ancestor's***[~~one's~~] name, ***address, telephone number, electronic mail address,*** Social Security number, ***driver's license number,*** birth date, personal identification number or code, ***and any other information which could be used to identify the person, including unique biometric data,***[~~which is kept in documents, photo or electrical copies, computer storage, or any other form of document retrieval and storage, and the theft is committed~~] with the intent to represent that he or she is the other person for the purpose of:

- (a) Depriving the other person of property;
- (b) Obtaining benefits or property to which he or she would otherwise not be entitled;
- (c) Making financial or credit transactions using the other person's identity;
- (d) Avoiding detection; or
- (e) Commercial or political benefit.

(2) Theft of identity is a Class D felony. ***If the person violating this section is a business that has violated this section on more than one (1) occasion, then that person also violates the Consumer Protection Act, KRS 367.110 to 367.300.***

(3) This section shall not apply when a person obtains the identity of another to misrepresent his or her age for the purpose of obtaining alcoholic beverages, tobacco, or another privilege denied to minors.

(4) This section does not apply to credit or debit card fraud under KRS 434.550 to 434.730.

(5) Where the offense consists of theft by obtaining or trafficking in the personal identity of another person, the venue of the prosecution may be in either the county where the offense was committed or the county where the other person resides.

(6) A person found guilty of violating any provisions of this section shall forfeit any lawful claim to the identifying information, property, or other realized benefit of the other person as a result of such violation."; and

On page 5, line 21 through page 6, line 11 delete Section 9 in its entirety and insert in lieu thereof the following "Section 9. KRS 514.170 is amended to read as follows:

(1) A person is guilty of trafficking in stolen identities when[~~without the other's consent,~~] he ***or she*** manufactures, sells, transfers, ***or*** purchases, or possesses with ***the*** intent to manufacture, ***sell,*** transfer, ***or*** purchase[~~, or sell~~] the personal identity of another person ***or persons*** for any purpose listed in ***subsection (1) of Section 8 of this Act***[~~KRS 514.160(1)~~]. The personal identity of an individual includes any ***of the*** identifying information ***described in subsection (1) of Section 8***

of this Act[~~of that person, such as one's name, Social Security number, birth date, personal identification number or code, which is kept in documents, photo or electrical copies, computer storage, or any other form of document retrieval and storage~~].

(2) Possession of five (5) or more separate identities shall be prima facie evidence that the identities are possessed for the purpose of trafficking.

(3) Trafficking in stolen identities is a Class C felony. ***If the person violating this section is a business that has violated this section on more than one (1) occasion, then that person also violates the Consumer Protection Act, KRS 367.110 to 367.300.***"

Floor Amendment No. 1 to the Committee Substitute to **HB 316**, by Representative Kerr:

On page 2, line 16, after the word "***days***" insert "***, but not longer than nine (9) months,***" and also on line 16, after the word "***purchase***" insert "***of the vehicle,***" and by deleting the remainder of line 16 in its entirety; and

On page 2, line 17, delete "***person's employment,***".

Floor Amendment No. 1 to the Committee Substitute to **HB 365**, by Representative Colter:

On page 1, after line 24 insert the following "Section 3. KRS 24A.250 is amended to read as follows:

(1) No party shall file more than ***thirty-five (35)***[~~twenty-five (25)~~] claims in any one (1) calendar year in the small claims division of any District Court in the Commonwealth. Any business engaged in trade or commerce shall be entitled to the maximum number of claims allowed under this section for each established location in the district that has been engaged in trade or commerce for at least six (6) months.

(2) Any party who files a claim in the division shall sign an affidavit with the clerk at the time of filing the claim stating that he has not brought more than the maximum number of claims allowed under subsection (1) of this section.

(3) If any party files a claim in excess of the maximum number of claims allowed, that claim shall be dismissed without prejudice at the cost of the plaintiff.

(4) The limitation on the number of claims and the other requirements of this section shall not apply to claims brought by city, county, or urban-county governments."

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and a Resolution:

HB 4, Representative Buckingham

HB 126, Representative Westrom

HB 163, Representative Barrows

HB 298, Representatives Hoffman, McKee, and Meeks

HB 324, Representative Hall

HB 328, Representative Hall

HB 331, Representative Hall

HB 407, Representative Jenkins

HB 409, Representative Hall

HB 412, Representative Kerr

HB 413, Representative Hoover

HB 422, Representative Hoffman

HB 440, Representative Kerr

HB 469, Representative C. Belcher

HB 496, Representative Brinkman

HB 522, Representative Colter

HB 537, Representative Bather

HB 543, Representative Feeley

HB 553, Representatives Feeley and Jenkins

HB 568, Representative Meeks

HCR 12, Representative Gooch.

Announcements

The following meetings were announced:

Labor and Industry: Tuesday, January 5, 2002, noon, Room 125

Natural Resources, (Budget Subcommittee): Monday, February 4, 2002 - no meeting

Budget Review Subcommittee on Justice: Monday, February 4, 2002, Room 149 - 1:00 p.m.

Adjournment

Representative Stumbo moved that the House adjourn until 4:00 p.m., on Monday February 4, 2002.

The motion that the House adjourn until 4:00 p.m., Monday, February 4, 2002, was adopted by voice vote.

MONDAY, FEBRUARY 4, 2002

NINETEENTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Bratcher, Feeley, Nelson, and Wayne.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of February 1, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Motions, Petitions, and Communications

Representative Haydon moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Haydon moved the adoption of the following **Legislative Citation No. 25**. Agreed.

The House of Representatives of the Commonwealth of Kentucky do hereby recognize and honor Lindsay Block upon recently being named the 2002 Kentucky Junior Miss, thereby earning the opportunity to travel to Mobile, Alabama, to represent this fine Commonwealth in America's Junior Miss Pageant on June 28, 2002. Inasmuch as she represents her family, community, and Kentucky with honor and integrity, and has brought remarkable charm and grace to this worthwhile endeavor, the members of this prestigious body are pleased to join with Representative Jodie Haydon in applauding the stellar achievements of Lindsay Block and in extending to her best wishes for continued success and good fortune. Done in Frankfort, Kentucky, this fourth day of February, in the year two thousand and two.

Legislative Citation No. 25 was adopted without objection.

Introduction of Bills and Resolutions

HB 572, by Representatives Meeks, L. Clark, Brinkman, Feeley, Bather, Callahan, Hall, Damron, Geveden, Riner, J. Lee, Horlander, P. Clark, Jenkins, Marzian, Crimm, Nunn, and Simpson: AN ACT relating to cemeteries.

HB 573, by Representative Moberly: AN ACT relating to teachers.

HB 574, by Representative L. Clark: AN ACT relating to the use of a divided referendum for determining Social Security coverage.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 567**

Banking and Insurance: **HB 563, 564**

Education: **HB 562**

Health and Welfare: **HB 565, 569**

Judiciary: **HB 560, 561, 571, SB 70**

Seniors, Military Affairs and Public Safety: **SJR 1**

State Government: **HB 566, 568, HR 107, SB 94**

Tourism Development and Energy: **HB 570**

Transportation: **SJR 2, 3**

House Floor: **HR 106**

Motions, Petitions, and Communications (Continued)

Representative Haydon moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Haydon moved the adoption of the following **Legislative Citation No. 24**.

The House of Representatives of the Commonwealth of Kentucky hereby offers its sincerest congratulations to the Bardstown High School Tigers Football Team upon winning the 2001 KHSAA Class AA State Football Championship. Inasmuch as this extraordinary team, under the skilled tutelage of Head Coach Joey Downs, has demonstrated tremendous dedication, skill, and spirit which has led to this superior achievement, the members of this distinguished body are delighted to join with Representative Jodie Haydon in commending the Bardstown Tigers for their well-deserved victory and in extending best wishes for continued athletic success. Done in Frankfort, Kentucky, this fourth day of February, in the year two thousand and two.

Legislative Citation No. 24 was adopted without objection.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications (Continued)

Representative Baugh moved the adoption of the following **Legislative Citation No. 26**.

The House of Representatives of the Commonwealth of Kentucky does hereby adjourn this legislative day in loving memory and honor of Dr. Lewis Edward Martin of Russellville, Kentucky, and joins with Representative Sheldon Baugh in expressing deepest sympathy to the Martin Family and all who share in the profound loss on the passing of this fine and esteemed citizen. Born in Christian County, the cherished son of the late Dewey and Ova Hardin Martin, he is survived by his beloved wife, Kathy Martin; daughters, Terry Martin Rudd and Kim McAfee; sisters, Nelta Yeager and Janice Wells; and two cherished grandchildren. Dr. Martin had served his country as a pilot in the United States Air Force and was a veteran of the Korean War. A member of the First Presbyterian Church, this highly-regarded physician was associated with the Commonwealth Family Health Center in Russellville. Lewis Edward Martin will be deeply missed by all those whose lives were touched by his remarkable presence and he is remembered on this day for his many and generous contributions to his family, his community, and this great Commonwealth. Done in Frankfort, Kentucky, this fourth day of February, in the year two thousand and two.

Legislative Citation No. 26 was adopted without objection.

Representative Vincent moved the adoption of the following **HR 106**:

HR 106, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Arlie Wheeler.

With deepest respect and admiration, we pay homage and tribute to Arlie Wheeler, and we pause in silent reverence for his soul.

WHEREAS, Arlie Wheeler was born on June 24, 1940, a native of Ashland, Boyd County, Kentucky, and he traversed these earthly bounds on January 24, 2002; and

WHEREAS, Arlie Wheeler was the loving son of the late Arlie C. and Beatrice L. Russell Wheeler, he was the devoted husband of thirty-eight years to Joyce Lee Cresong Wheeler, he was the loving father of two daughters, Missy Gregg and Angela Wheeler, and loving father to a son, Arlie C. Wheeler III, and he was the proud grandfather of four grandchildren, Joshua and Jessica White and Kelsey and Alex Gregg of Ashland, and a grandson due in March; and he also was the loving brother of Earl R. Wheeler of Corpus Christi, Texas, and the loving brother of two sisters, Patty Ray and Barbara L. Moore, both of Ashland; and

WHEREAS, Arlie Wheeler graduated from Ashland High School and he graduated from Cornell University with a degree in economics; he was an esteemed member of the Boyd County community where he was a former manager of Hills Department Store and operated several of his own establishments, including Plaza News, Briarwood Tobacco Shop, and Car Protection, Inc., and most recently, he was manager of Kentucky Korner in the Ashland Town Center; and

WHEREAS, Arlie Wheeler was an adamant supporter of children and their welfare, and he demonstrated this by coaching sports in the Ashland and Boyd County area for forty years; he coached in the Russell and Ashland JFLs and the Ashland National and Ashland American Little Leagues, and he coached basketball and track at Wiley, Condit and Hager elementary schools; he was much admired for his involvement in many charities and organizations, and to name only a few, he was active in the Ashland YMCA, Cerebral Palsy School, Habitat for Humanity, Light the Night for Blindness, and the United Way; and

WHEREAS, Arlie Wheeler was highly respected among his peers, and genuinely committed to his community; he will be remembered not only for his many accomplishments and the friendships he made and sustained through the years, but also for his understanding of the common man, which he demonstrated daily; and

WHEREAS, the passing of Arlie Wheeler has left a void that cannot be filled, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Arlie Wheeler, and extends to his family and many friends its most profound and deepest sympathy.

Section 2. The passion, dedication, intelligence, and social consciousness Arlie Wheeler brought to this Commonwealth will never be forgotten.

Section 3. When the House of Representatives adjourns this day, it does so in loving memory and honor of Arlie Wheeler.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mrs. Joyce Lee Cresong Wheeler, 2927 Hackworth Street, Ashland, Kentucky 41101.

There being no objection **HR 106** was adopted.

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

Report of Committees

The Committee on Rules reported that **HB 104, HB 144, HB 244, HB 330, HB 316, HB 327, HB 371, HB 387,** and **HB 453** have been posted for passage in the Orders of the Day for February 5, 2002.

The Committee on Rules reported that the following Bill has been recommitted:

Appropriations and Revenue: **HB 194**

Representative Mobley moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Mobley moved that he be recorded as voting "yea" on **HB 348**. Agreed.

Representative Buckingham moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Buckingham moved that he be recorded as voting "yea" on **HCR 12**. Agreed.

Orders of the Day

HB 14, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Draud moved the adoption of the Committee Substitute to **HB 14**. Agreed.

Representative Draud moved that **HB 14**, by way of Committee Substitute, be passed.

Representative Draud moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 14**. Agreed.

Representative Draud moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 14**. Agreed.

Representative Draud moved that **HB 14**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 94, Nays 1**. (See February 4, 2002, roll call on **HB 14** - Appendix.)

HB 14, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Draud moved that the vote by which **HB 14**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 79, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Vincent moved the adoption of the Committee Substitute to **HB 79**. Agreed.

Representative Vincent moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 79**. Agreed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 4, 2002, roll call on **HB 79** - Appendix.)

HB 79, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Vincent moved that the vote by which **HB 79**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 93, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Vincent moved the adoption of Committee Amendment No. 1 to **HB 93**. Agreed.

Representative Vincent moved that **HB 93**, as amended, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 4, 2002, roll call on **HB 93** - Appendix.)

HB 93, as amended, was passed and the title agreed to.

Representative Vincent moved that the vote by which **HB 93**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 177, with Committee Substitutes, Committee Amendment, and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Marzian moved the adoption of the Committee Substitute No. 2 to **HB 177**. Agreed.

Representative Marzian moved that **HB 177**, by way of Committee Substitute, be passed.

Representative Heleringer moved the adoption of Floor Amendment No. 1 to the Committee Substitute No. 2 to **HB 177**.

Floor Amendment No. 1 to the Committee Substitute No. 2 to **HB 177** was rejected by voice vote.

Representative Marzian moved that **HB 177**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 4, 2002, roll call on **HB 177** - Appendix.)

HB 177, by way of Committee Substitute, was passed.

Representative Marzian moved to adopt Committee Amendment No. 1 Title to **HB 177**. Agreed.

Representative Marzian moved that the vote by which **HB 177**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 365, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved the adoption of the Committee Substitute to **HB 365**. Agreed.

Representative Colter moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 365**. Agreed.

Representative Damron moved that **HB 365**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 92, Nays 2**. (See February 4, 2002, roll call on **HB 365** - Appendix.)

HB 365, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 365**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 411 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Collins moved that **HB 411** be passed.

On the roll call the vote was: **Yeas 89, Nays 0**. (See February 4 2002, roll call on **HB 411** - Appendix.)

HB 411 was passed and the title agreed to.

Representative Collins moved that the vote by which **HB 411** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 156 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Arnold moved that **HB 156** be passed.

On the roll call the vote was: **Yeas 91, Nays 0**. (See February 4 2002, roll call on **HB 156** - Appendix.)

HB 156 was passed and the title agreed to.

Representative A. Arnold moved that the vote by which **HB 156** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 164, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved the adoption of Committee Amendment No. 1 to **HB 164**. Agreed.

Representative Damron moved that **HB 164**, as amended, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 4, 2002, roll call on **HB 164** - Appendix.)

HB 164, as amended, was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 164**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 332, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Siler moved the adoption of the Committee Substitute to **HB 332**. Agreed.

Representative Siler moved that **HB 332**, by way of Committee Substitute, be passed.

Representative Upchurch motion the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 332**.

Representative Collins inquired whether Floor Amendment No. 1 was germane.

The Speaker ruled that Floor Amendment No. 1 the Committee Substitute to **HB 332** was not germane.

Representative Siler moved that **HB 332**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 4, 2002, roll call on **HB 332** - Appendix.)

HB 332, by way of Committee Substitute, was passed and the title agreed to.

Representative Siler moved that the vote by which **HB 332**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 423 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cherry moved that **HB 423** be passed.

On the roll call the vote was: **Yeas 90, Nays 0**. (See February 4, 2002, roll call on **HB 423** - Appendix.)

HB 423 was passed and the title agreed to.

Representative Cherry moved that the vote by which **HB 423** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 438 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Comer moved that **HB 438** be passed.

On the roll call the vote was: **Yeas 91, Nays 0**. (See February 4, 2002, roll call on **HB 438** - Appendix.)

HB 438 was passed and the title agreed to.

Representative Comer moved that the vote by which **HB 438** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 448 taken from the Orders of the Day and ordered read at length for the third time. Agreed

Representative Stumbo moved that **HB 448** be returned to the Orders of the Day and retain its position therein. Agreed.

HB 36, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Arnold moved the adoption of the Committee Substitute to **HB 36**. Agreed.

Representative A. Arnold moved that **HB 36**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 4, 2002, roll call on **HB 36** - Appendix.)

HB 36, by way of Committee Substitute, was passed and the title agreed to.

Representative A. Arnold moved that the vote by which **HB 36**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 273, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Treesh moved the adoption of the Committee Substitute to **HB 273**. Agreed.

Representative Treesh moved that **HB 273**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 4, 2002, roll call on **HB 273** - Appendix.)

HB 273, by way of Committee Substitute, was passed and the title agreed to.

Representative Treesh moved that the vote by which **HB 273**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 305 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ford moved that **HB 305** be passed.

On the roll call the vote was: **Yeas 94, Nays 2**. (See February 4, 2002, roll call on **HB 305** - Appendix.)

HB 305 was passed and the title agreed to.

Representative Ford moved that the vote by which **HB 305** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 390 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meeks moved that **HB 390** be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 4, 2002, roll call on **HB 390** - Appendix.)

HB 390 was passed and the title agreed to.

Representative Meeks moved that the vote by which **HB 390** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 421 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pullin moved that **HB 421** be passed.

On the roll call the vote was: **Yeas 89, Nays 4**. (See February 4, 2002, roll call on **HB 421** - Appendix.)

HB 421 was passed and the title agreed to.

Representative Pullin moved that the vote by which **HB 421** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 77 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Colter moved that **HJR 77** be adopted.

On the roll call the vote was: **Yeas 94, Nays 1**. (See February 4, 2002, roll call on **HJR 77** - Appendix.)

HJR 77 was adopted.

Representative Colter moved that the vote by which **HJR 77** was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 79 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Draud moved that **HJR 79** be adopted.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 4, 2002, roll call on **HJR 79** - Appendix.)

HJR 79 was adopted.

Representative Draud moved that the vote by which **HJR 79** was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 85 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Geveden moved that **HJR 85** be adopted.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 4, 2002, roll call on **HJR 85** - Appendix.)

HJR 85 was adopted.

Representative Geveden moved that the vote by which **HJR 85** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 386 taken from the Orders of the Day. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adkins moved that **HB 386** be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 4, 2002, roll call on **HB 386** - Appendix.)

HB 386 was passed and the title agreed to.

Representative Adkins moved that the vote by which **HB 386** was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for Introductions of new Bills and Resolutions and Committee Reports. Agreed.

Representative Stumbo moved that the rules be suspended to recommit the following Bills:

Agriculture and Small Business: **HB 40**

Appropriations and Revenue: **HB 364**

Introduction of Bills and Resolutions (Continued)

HB 575, by Representative Brinkman: AN ACT relating to plastic containers.

HB 576, by Representatives Thomas and Nunn: AN ACT relating to animals.

HB 577, by Representative Barrows: AN ACT relating to highway construction projects.

HB 578, by Representative Riggs: AN ACT relating to the State Investment Commission.

HB 579, by Representative J. Turner: AN ACT relating to pawnbrokers.

HB 580, by Representative J. Turner: AN ACT relating to expungement of criminal records.

HB 581, by Representatives J. Turner and Yonts: AN ACT relating to fines for speeding.

HB 582, by Representative Stumbo: AN ACT relating to autopsy records.

HB 583, by Representative Sims: AN ACT relating to the commemoration of Kentucky Vietnam War POW/MIA's.

HB 584, by Representatives P. Clark, Richards, Simpson, L. Clark, Callahan, Barrows, Stumbo, Nesler, Adkins, C. Belcher, Nunn, R. Adams, Damron, Crimm, L. Belcher, Dw. Butler, Thompson, Jenkins, Miler, and A. Arnold: AN ACT relating to retirement.

HB 585, by Representative Upchurch: AN ACT relating to school district employees health insurance.

HB 586, by Representative Wilkey : AN ACT relating to campaign finance.

HB 587, by Representatives Hoffman, R. Adams, Westrom, Damron, Palumbo, McKee, Pasley, Stewart, C. Belcher, L. Clark, Stein, A. Arnold, and Crenshaw: AN ACT relating to peace officers.

HCR 109, by Representative Barrows: A CONCURRENT RESOLUTION to encourage the documentation of rock fences worthy of preservation and the development of criteria for their protection and preservation.

HR 110, by Representative Damron: A RESOLUTION adjourning the House of Representatives in honor of the 202nd Anniversary of the Grand Lodge of Kentucky.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Labor and Industry: **HB 537**

Local Government: **HB 540, HB 521, HB 317, HB 494, HB 519, HB 543, HB 548**

Motions, Petitions and Communications (Continued)

Representative Marzian move to withdraw **HB 544**. Agreed.

Representative Weaver moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Weaver moved that his vote be changed from "nay" to "yea" on **HJR 77**. Agreed.

Representative Barrows moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HCR 12** and **HB 338**. Agreed.

Representative Colter moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Colter moved that she be recorded as voting "yea" on **HB 421**. Agreed.

Representative Denham moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Denham moved that he be recorded as voting "yea" on **HB 156**. Agreed.

Representative Stein moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Stein moved that her vote be changed from "nay" to "yea" on **HB 14**. Agreed.

Representative Stein moved that she be recorded as voting "yea" on **HB 152** and **HB 120**. Agreed.

Representative S. Lee moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative S. Lee moved that he be recorded as voting "yea" on **HB 438** and **HJR 79**. Agreed.

Representative Nesler moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Nesler moved that he be recorded as voting "yea" on **HB 390, HB 421, HB 386, HJR 77, HJR 79,** and **HJR 85**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 to **HB 387**, by Representative Nesler:

On page 2, line 27, after "*possession*", by inserting "*, absent a claim of title or legal right.*"; and
On page 3, line 3, after "*use*", by inserting "*solely*".

Floor Amendment No. 1 to **HB 369**, by Representative Yonts:

On page 8, line 2, after "(14)" by inserting "*(a)*"; and
On page 8, between lines 8 and 9, by inserting the following:
"*(b) All prescription drugs dispensed to a resident of the Commonwealth under a program authorized by this section shall be dispensed by a pharmacist holding a valid license issued by the Kentucky Board of Pharmacy pursuant to KRS Chapter 315.*".

Floor Amendment No. 2 to **HB 369**, by Representative Yonts:

On page 8, after line 12, by inserting the following:

"SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) A health benefit plan shall apply the same coinsurance, copayment, deductible, and quantity limit factors within the same employee group and other plan-sponsored groups to all drug prescriptions filled by any licensed pharmacy

provider, whether by a retail licensed pharmacy provider or a mail order licensed pharmacy provider, and each pharmacy provider shall comply with the same terms and conditions.

(2) Nothing in this section shall be construed to:

(a) Prohibit the health benefit plan from applying difference coinsurance, copayment, and deductible factors within the same employer group and other plan-sponsored groups between generic and brand-name drugs; or

(b) Prohibit an employer or other plan-sponsored group from offering multiple options or choices of health benefit plans including, but not limited to, cafeteria benefit plans.".

Floor Amendment No. 3 to the Committee Substitute to **HB 207**, by Representative Crimm:

On page 2, at the beginning of line 5, delete "*home builder, home designer,*"; and

On page 2, between lines 14 and 15, insert a new subsection as follows:

"*(5) Nothing in Sections 1 to 10 of this Act shall be construed to limit, interfere, or restrict the practice, descriptions of services, or manner in which home builders, home designers, certified kitchen designers, certified bath designers, or certified master kitchen and bath designers practice.*".

Floor Amendment No. 2 to the Committee Substitute to **HB 316**, by Representative J. Lee:

On page 2, line 16, after the word "*days*" insert "*, but not longer than six (6) months,*" and also on line 16, after the word "*purchase*" insert "*of the vehicle,*" and by deleting the remainder of line 16 in its entirety; and

On page 2, line 17, delete "*person's employment,*".

Floor Amendment No. 1 to **HB 283**, by Representative Nunn:

On page 2, line 10, by inserting the following after "*drug*": "*, subject to the limitation under subsection (7) of this section*"; and

"On page 2, by inserting the following after line 16:

"*(7) Any copayment for a prescription or over-the-counter drug shall not exceed one dollar ($1.00).*".

Floor Amendment No. 3 to **HB 369**, by Representative Cherry:

On page 8, line 8, by inserting the following after "*drugs.*": "*The policies shall provide that the state employee shall pay the same copayment for the same quantity of drugs whether the purchase is made through the mail order option or at a retail pharmacy.*".

Floor Amendment No. 4 to **HB 369**, by Representative Damron:

On page 8, line 2, after "(14)" by inserting "*(a)*"; and

On page 8, between lines 8 and 9, by inserting the following:

"*(b) As a condition of participating in the program authorized under this subsection, the pharmacy annually shall certify the following to the secretary of the Finance and Administration Cabinet:*

1. Acceptance of prescriptive authority by health care practitioners as defined by KRS 217.015 and KRS 218A.010, as appropriate, and as authorized under Kentucky law; and

2. Compliance with all requirements of KRS Chapters 217, 218A, and 315 and the administrative regulations promulgated pursuant thereto.

(c) Failure to comply with the provisions of this subsection shall make the pharmacy ineligible to participate in the program authorized by this subsection.".

Motions, Petitions, and Communications

The following members filed requests to have their names added as co-sponsors of Bills:

HB 39, Representative Crenshaw

HB 106, Representative Damron

HB 321, Representative Cornett

HB 332, Representative Cornett

HB 362, Representative Hoffman

HB 385, Representative Damron

HB 442, Representative Palumbo

HB 466, Representative Nunn

HB 487, Representative Hoover

HB 553, Representative Weaver

HB 585, Representative Richards.

Announcements

The following meetings were announced:

Labor and Industry: Tuesday, February 5, 2002, noon, Room 125

Natural Resources and Environment: Tuesday, February 5, 2002, 8:00 a.m., Room 131

Budget Review Subcommittee on Justice: Wednesday, February 6, 2002, 10:00 a.m.

Appropriations and Revenue: Tuesday, February 5, 2002, 10:00 a.m.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., on Tuesday February 5, 2002.

The motion that the House adjourn until 2:00 p.m., Tuesday, February 5, 2002, was adopted by voice vote.

TUESDAY, FEBRUARY 5, 2002

TWENTIETH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Brother Rick Shannon, Alton Baptist Church, Lawrenceburg, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Feeley.

Representative Ballard moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of February 4, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Motions, Petitions, and Communications

Representative Damron moved to suspend the rules to grant floor privileges and the adoption of the following **HR 110**:

HR 110, A RESOLUTION adjourning the House of Representatives in honor of the 202nd Anniversary of the Grand Lodge of Kentucky.

WHEREAS, the Masons are the largest and oldest fraternity worldwide, whose recorded history dates back nearly 1,000 years, and whose fellowship was founded on friendship, charity, brotherly love, and benevolence; and

WHEREAS, many of our founding fathers were Masons, including such notable statesmen as George Washington, Benjamin Franklin, and Henry Clay -- men who were instrumental in the establishment and development of our great nation; and

WHEREAS, most of the signers of the Declaration of Independence and the Constitution of the United States were Masons, and the significance of their allegiance to this great nation is unparalleled and will have lasting impact; and

WHEREAS, the Masons are noted for being great arbitrators and for their unbounded loyalty to God, to their country, and to their fellowman, and their humanitarian contributions have given them global distinction; and

WHEREAS, upon motion of Green Clay to the Virginia Lodge #25 in the year 1788, it was granted that the members could hold a regular lodge of Freemasons in the town of Lexington, establishing the first lodge west of the Allegheny Mountains, and now known as Lexington Lodge #1; and

WHEREAS, in 1800, permission was given for severance from Kentucky, whereby the Grand Lodge of Kentucky was established, beginning the heritage of service and devotion to the ideals of Freemasonry recognized and honored by those who serve as Masons in the Commonwealth today; and

WHEREAS, the Grand Lodge of Kentucky now celebrates 202 years of friendship, charity, and brotherly love;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives is proud and honored to recognize members of the Grand Lodge of Kentucky for their genuine love and concern for humanity. They are held in the highest esteem for their dedication to worthy causes without prejudice to or judgment of their fellowman.

Section 2. When the House of Representatives adjourns this day, it does so in honor of the 202nd Anniversary of the Grand Lodge of Kentucky.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Representative Robert Damron for presentation to the Grand Lodge of Kentucky.

There being no objection **HR 110** was adopted.

Representative A. Arnold moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative A. Arnold moved the adoption of the following **Legislative Citation No. 27**.

The House of Representatives of the Commonwealth of Kentucky hereby welcomes the members of the Mount Sterling Elementary School Chorus upon the occasion of their visit to the Chambers of the House of Representatives during this day of the

Regular Session of the 2002 Kentucky General Assembly. These talented and enthusiastic students are further offered sincere gratitude upon regaling the members of this distinguished body with patriotic tunes which showcase their musical talents and skills. The members of this august body are delighted to join Representative Adrian K. Arnold in applauding the performance of the Mount Sterling Elementary School Chorus, in expressing sincere appreciation to them for demonstrating their interest in the legislative process by their visit today and in extending to them best wishes for success and good fortune as they continue to touch the lives of those for whom they most graciously perform. Done in Frankfort, Kentucky, this fifth day of February, in the year two thousand and two.

Legislative Citation No. 27 was adopted without objection.

Representative Buckingham moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Buckingham moved the adoption of the following **Legislative Citation No. 29**.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and honors Dr. F. King Alexander and the Board of Regents of Murray State University upon visiting the Capitol in Frankfort, Kentucky, to witness a day in the Regular Session of the 2002 Kentucky General Assembly. Inasmuch as President Alexander and the members of the Board of Regents of Murray State University have contributed to ensuring the highest quality of education for the students enrolled at this exceptional institution of higher learning which is ranked among the nation's top public comprehensive universities and one of the top five public comprehensive universities in the South by U.S News and World Report, the entire membership of this honorable body is delighted to join Representative Robert "Buddy" Buckingham in commending them for their exceptional efforts in continuing the extraordinary academic tradition of Murray State University and in extending a warm welcome to these most honored recipients. Done in Frankfort, Kentucky, this fifth day of February, in the year two thousand and two.

Legislative Citation No. 29 was adopted without objection.

Representative Webb moved to grant floor privileges and to introduce and act upon a resolution. Agreed.

Introduction of Resolution

HR 112, by Representative Webb: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Wayne "Zeke" Secrest.

Motions, Petitions, and Communications (Continued)

Representative Webb moved the adoption of the following **HR 112**:

HR 112, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Wayne "Zeke" Secrest.

With deepest respect and admiration, we pay homage and tribute to our colleague and friend, Wayne "Zeke" Secrest.

WHEREAS, Wayne "Zeke" Secrest was born on November 18, 1926, a native of Lewis County, Kentucky, and he traversed these earthly bounds on December 15, 2001; and

WHEREAS, Wayne "Zeke" Secrest was the loving son of the late Amos and Daisy Fearis Secrest, he was the devoted husband of Betty Harrison Secrest, and he was the adored father of a son, Dane Wilson Secrest, and a daughter, Jill Secrest O'Cull, both of Vanceburg; and he was the proud grandfather of Chelcee O'Cull, Lance O'Cull and Brock O'Cull, and Jazz A. Secrest, all of Vanceburg, and he was the loving brother of a sister, Marian Harvey Secrest Parker, and a brother-in-law of Cincinnati, Ohio; and

WHEREAS, Wayne "Zeke" Secrest served his constituents from the ninety-sixth representative district of Lewis and Carter counties with honor and esteem in 1962, 1964, and 1966; and he also served his country with pride and distinction in the United States Navy; and

WHEREAS, Wayne "Zeke" Secrest was an esteemed member of the Vanceburg community where he was a barber, and he also was retired as Lewis County Property Valuation Administrator; and

WHEREAS, the passing of Wayne "Zeke" Secrest has left a void that cannot be filled, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Wayne "Zeke" Secrest, our friend and colleague, and extends to his family and many friends its most profound and deepest sympathy.

Section 2. When the House of Representatives adjourns this day, it does so in loving memory and honor of Wayne "Zeke" Secrest.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mrs. Betty Harrison Secrest, HC75, Box 928, Vanceburg, Kentucky 41179.

There being no objection **HR 112** was adopted.

Introduction of Bills and Resolutions (Continued)

HB 588, by Representatives A. Arnold and Gray: AN ACT relating to the benefits of emergency service personnel.

HB 589, by Representative A. Arnold: AN ACT relating to state employees.

HB 590, by Representatives A. Arnold and Gray: AN ACT relating to the Kentucky Judicial Form Retirement System.

HB 591, by Representative Collins: AN ACT relating to school rewards.

HJR 111, by Representatives Ballard, Bruce, Napier, C. Belcher, Adkins, Siler, Yonts, and Stumbo: A JOINT RESOLUTION naming the veterans' nursing home in Hazard, Kentucky in Perry County the "Paul E. Patton Veterans' Home".

HCR 113, by Representative Smith: A CONCURRENT RESOLUTION to direct the Interim Joint Committee on Agriculture and Natural Resources to study the potential consequences of legislation encouraging the use of biodiesel fuel.

HR 114, by Representative Kerr: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Sterling G. Staggs, Sr.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 576**

Appropriations and Revenue: **HB 577**

Banking and Insurance: **HB 579, 578**

Education: **HB 573, 585**

Elections, Constitutional Amendments, and Intergovernmental Affairs: **HB 586**

Health & Welfare: **SB 2, 90, 125, 89**

Judiciary: **HB 580, 582**

Licensing and Occupations: **HB 572**

Natural Resources: **HB 575**

Seniors, Military Affairs and Public Safety: **HB 583**

State Government: **HB 574, 584, HCR 109**

Tourism Development and Energy: **HB 587**

Transportation: **HB 581**

House Floor: **HR 110**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolution have been posted for Committee consideration:

Transportation: **HJR 102, HB 189, HB 190, HB 274, HB 413**

Report of Committees

The Committee on Natural Resources and Environment reported **HB 367** with Committee Substitute attached thereto, and **SCR 17** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 367, AN ACT relating to agriculture water quality.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 224.71-100 TO 224.71-140 IS CREATED TO READ AS FOLLOWS:

For purposes of KRS 224.71-100 to 224.71-140, any documents relating to an agriculture operation, including, for example only, agriculture water quality plans, conservation plans, compliance plans, or forest stewardship management plans, submitted to a local conservation district office or the Division of Water shall be confidential, and their disclosure to anyone other than a state or federal official is prohibited. If any person engaged in an agriculture operation is deemed a "bad actor" under KRS 224.71-130(2), the privilege of confidentiality given under this section to documents relating to the bad actor's agriculture operation shall be lost. The confidentiality granted by this section shall not prohibit disclosure of statistical information not descriptive of any identifiable agriculture operation or person.

The Committee Substitute to **HB 367** is as follows:

HB 367, AN ACT relating to agriculture water quality.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 224.71-100 TO 224.71-140 IS CREATED TO READ AS FOLLOWS:

For purposes of KRS 224.71-100 to 224.71-140, any documents relating to agriculture operations' agriculture water quality plans, conservation plans, or forest stewardship management plans, submitted to a local conservation district office or a state agency shall be confidential, and their disclosure to anyone other than a state or federal official is prohibited. The privilege of confidentiality given under this section does not apply to an agriculture operation's application for financial assistance from the soil erosion and water quality cost share program. In a civil or administrative proceeding, after a private review consistent with the Kentucky Rules of Civil Procedure, all documents claimed confidential under this section shall be disclosed if the court or hearing officer determines that the documents claimed confidential show evidence of noncompliance with this chapter or with applicable federal, state, or local law. The party asserting the privilege of confidentiality shall have the burden of showing that the privilege is properly asserted. If any person engaged in an agriculture operation is deemed a "bad actor" under KRS 224.71-130(2), the privilege of confidentiality given under this section to documents relating to the bad actor's agriculture operation shall be lost. The confidentiality granted by this section shall not prohibit disclosure of statistical information not descriptive of any identifiable agriculture operation or person. Nothing in this section shall prohibit disclosure of agency reports, monitoring or sampling data, and other information contained in state or local conservation district files relating to water quality compliance and investigations or notices under KRS 224.71-130.

SCR 17, A CONCURRENT RESOLUTION creating the Kentucky Watershed Task Force.

WHEREAS, Kentucky has abundant water resources disbursed within seven watersheds across the state; and

WHEREAS, within those watersheds local communities depend upon the drinking water supplies and the tourism and recreational opportunities arising from impounded water as well as free-flowing watercourses, and

WHEREAS, Kentucky shares borders with other states defined by two major rivers and shares numerous other waterways, reservoirs, and drainage basins with neighboring states; and

WHEREAS, agriculture is a vital part of Kentucky's history, economy, and character, and prudent management of water resources is critical to agricultural interests in the Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Kentucky Watershed Task Force is created to study the need for managing the state's water on a watershed basis; the necessity of seeking agreements with border states on the management of water in shared watersheds; and the possibility of seeking agreements with the owners of impounded waters, except for owners of private water impoundments, to manage the impounded water to further state and local water management goals. To the extent possible, all meetings of the task force should be held at Kentucky state resort parks which have lakes.

Section 2. The members of the task force shall include: three members of the Senate appointed by the President of the Senate, three members of the House of Representatives appointed by the Speaker of the House, the President of the Kentucky Waterways Alliance Advisory Council, the Coordinator of the Center for Reservoir Research at Murray State University, the Director of the Kentucky Water Resources Research Institute at the University of Kentucky, a representative of the Natural Resources and Environmental Protection Cabinet, a representative of the Kentucky Farm Bureau, a representative of the Kentucky

Resources Council, the director of the Center for Water Resource Studies at Western Kentucky University, a representative of Kentucky's area development districts, a representative of the Kentucky Rural Water Association, and the Executive Director of the Kentucky River Authority.

Section 3. The President of the Senate shall select one of the Senate members to serve as co-chair of the task force and the Speaker of the House shall select one of the House members to serve as co-chair of the task force. Staff for the task force shall be provided by the staff of the Legislative Research Commission.

Section 4. The task force shall report any findings and recommendations to the Legislative Research Commission by November 30, 2002.

Section 5. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

The Committee Substitute to **SCR 17** is as follows:

SCR 17, A CONCURRENT RESOLUTION creating the Kentucky Watershed Task Force.

WHEREAS, Kentucky has abundant water resources disbursed within seven watersheds across the state; and

WHEREAS, within those watersheds local communities depend upon the drinking water supplies and the tourism and recreational opportunities arising from impounded water as well as free-flowing watercourses, and

WHEREAS, Kentucky shares borders with other states defined by two major rivers and shares numerous other waterways, reservoirs, and drainage basins with neighboring states; and

WHEREAS, agriculture is a vital part of Kentucky's history, economy, and character, and prudent management of water resources is critical to agricultural interests in the Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Kentucky Watershed Task Force is created to study the need for managing the state's water on a watershed basis; the necessity of seeking agreements with border states on the management of water in shared watersheds; and the possibility of seeking agreements with the owners of impounded waters to manage the impounded water to further state and local water management goals. To the extent possible, all meetings of the task force should be held at Kentucky state resort parks which have lakes.

Section 2. The members of the task force shall include: three members of the Senate appointed by the President of the Senate, three members of the House of Representatives appointed by the Speaker of the House, the President of the Kentucky Waterways Alliance Advisory Council, the Coordinator of the Center for Reservoir Research at Murray State University, the Director of the Kentucky Water Resources Research Institute at the University of Kentucky, a representative of the Natural Resources and Environmental Protection Cabinet, a representative of the Kentucky Farm Bureau, a representative of the Kentucky Resources Council, the director of the Center for Water Resource Studies at Western Kentucky University, and the Executive Director of the Kentucky River Authority.

Section 3. The President of the Senate shall select one of the Senate members to serve as co-chair of the task force and the Speaker of the House shall select one of the House members to serve as co-chair of the task force. Staff for the task force shall be provided by the staff of the Legislative Research Commission.

Section 4. The task force shall report any findings and recommendations to the Legislative Research Commission by November 30, 2002.

Section 5. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

The Committee on Appropriations and Revenue reported **HB 161** with Committee Substitute and Committee Amendments attached thereto, with the expression of opinion that the same should pass. Referred to the Committee on Rules.

The Committee Amendment No. 2 to **HB 161** is as follows:

On page 1, line 13 by deleting "***shall***" and inserting "***may***" in lieu thereof;

On page 1, line 17 by deleting "***shall***" and inserting "***may***" in lieu thereof;

On page 1, line 17 by deleting "***, at a minimum,***";

On page 2, line 26 by deleting "***shall***" and inserting "***may***" in lieu thereof;

On page 4, line 15 by deleting "***shall***" and inserting "***may***" in lieu thereof;

On page 5, line 8 by deleting "***shall***" and inserting "***may***" in lieu thereof;

On page 5, line 14 by deleting "***shall***" and inserting "***may***" in lieu thereof;

On page 5, line 18 by deleting "***shall***" and inserting "***may***" in lieu thereof;

On page 6, line 19 by deleting "***shall***" and inserting "***may***" in lieu thereof; and

On page 6, line 23 by deleting "***shall***" and inserting "***may***" in lieu thereof.

The Committee on Appropriations and Revenue reported **HB 174** with Committee Substitute attached thereto, **HB 280**, and **SB 54** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 174, AN ACT relating to environmental protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 5 of this Act, unless the context requires otherwise:

(1) "Environmental impact fee" means a fee paid on a product to pay costs associated with disposal of that product or the product's receptacle;

(2) (a) "Beverage" means any of the following products or mixture of the following products if the products are in liquid, ready-to-drink form, and intended for human consumption:

1. Beer or other malt beverages;

2. Carbonated soft drinks;

3. Carbonated or noncarbonated water;

4. Wine and distilled spirits;

5. Fruit or vegetable juices and drinks, except as provided in subsection (2)(b) of this section;

6. Sport drinks; and

7. Coffee and tea drinks.

(b) The term does not include the following products:

1. Infant formulas, cereals, and juices;

2. Milk;

3. Medical food prescribed by a physician to a patient who has special nutrient needs in order to manage a disease or health condition, when the patient is under the physician's ongoing care;

4. Fruit and vegetable juices and drinks in containers that are twenty-five (25) ounces or more in volume, or in containers that are greater than four (4) ounces and less than twenty-five (25) ounces that are packaged in units of three (3) or more containers; and

5. Nutritional products, vitamin-fortified and specifically designed to gain, reduce, or maintain weight and to aid in the consumption of a healthy diet;

(3) "Beverage cup" means:

(a) An individual disposable cup used by the fast food retail establishment industry to dispense beverages; or

(b) An individual disposable cup used by a retail establishment which provides them to its customers on a routine basis for the purpose of consumption of purchased beverages off the premises of the retail establishment;

(4) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;

(5) "Container" means an individual bottle, can, jar, or other receptacle, not to include beverage cups as defined in this section, with a capacity of four (4) fluid ounces up to one (1) gallon, in which a beverage is sold, and which is constructed of metal, glass, plastic, paper, or any combination of these materials. The term does not include any refillable container;

(6) "Distributor" means any person who engages in the sale of containers, including any manufacturer if the manufacturer engages in these sales;

(7) "Refillable container" means any container that:

(a) Is capable of being refilled multiple times; and

(b) Is distributed by a distributor that operates or has arranged for the operation of a facility and system that processes and refills all returned refillable containers sold by that distributor in the Commonwealth; and

(8) "Tipping fee" means a one dollar ($1) fee paid by landfill operators for each ton of municipal solid waste disposed of in the operator's landfill;

(9) "Fast food retail establishment" means a facility with a drive-through window through which food and beverages are sold.

SECTION 2. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) Distributors shall pay to the Revenue Cabinet one-half of one cent ($0.005) for each container sold or distributed in Kentucky as an environmental impact fee in a manner and within time periods determined by the Revenue Cabinet. The fee shall be accompanied by a report or return in a form that the Revenue Cabinet shall prescribe by administrative regulation.

(2) Fast food retail establishments shall pay to the Revenue Cabinet one-half of one cent ($0.005) for each beverage cup sold or provided in Kentucky, as an environmental impact fee, in a manner and within time periods determined by the Revenue Cabinet. The fee shall be accompanied by a report or return in a form that the Revenue Cabinet shall prescribe by administrative regulation.

(3) Retail establishments, other than fast food retail establishments, which provide disposable cups to customers on a routine basis for the intended purpose of consumption of purchased beverages off the premises shall pay one-half of one cent ($0.005) for each beverage cup sold or provided in Kentucky, as an environmental impact fee, in a manner and within time periods determined by the Revenue Cabinet. The fee shall be accompanied by a report or return in a form that the Revenue Cabinet shall prescribe by administrative regulation.

(4) Beginning on January 1, 2003, every operator of a contained solid waste landfill shall pay a tipping fee of one dollar ($1) per ton of municipal solid waste disposed in the landfill, in addition to fees and charges assessed prior to January 1, 2003. Each operator shall pay the tipping fee to the Revenue Cabinet in a manner and within time periods determined by the cabinet. The fee shall be accompanied by a report or return in a form that the Revenue Cabinet may prescribe by administrative regulation.

(5) If a distributor, fast food retail establishment, retail establishment, or landfill operator fails to make a payment and file a return required by this section on or before the due date established by the Revenue Cabinet, the Revenue Cabinet may assess a penalty of ten percent (10%) of the amount due, plus an additional penalty of five percent (5%) of the amount due for each additional month payment is late.

(6) All payments and penalties collected by the Revenue Cabinet under this section shall be transferred monthly into the Kentucky pride fund established in Section 3 of this Act. All assessment and collection powers conveyed to the Revenue Cabinet for the assessment and collection of taxes shall apply to the assessment and collection of the environmental impact fees and the tipping fees. The Revenue Cabinet shall be reimbursed from the Kentucky pride fund for its costs incurred in assessing and collecting the fees, with the reimbursement not to exceed fifty thousand dollars ($50,000) per year.

SECTION 3. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) A trust fund to be known as the Kentucky pride fund is hereby established in the State Treasury in order to receive environmental impact fee money and money collected from the tipping fee established in Section 2 of this Act in order to accomplish the purposes established in this section. Any money accruing to this fund in any fiscal year shall not lapse but shall be carried forward to the next fiscal year. The fund may also receive state appropriations, gifts, grants, and federal funds.

(2) The cabinet shall administer the Kentucky pride fund and moneys from the fund received by the cabinet, less the costs reimbursed to the Revenue Cabinet, shall be distributed as follows:

(a) 1. Up to three and one-half million dollars ($3,500,000) annually shall be made available by the cabinet to the Kentucky Infrastructure Authority for the debt service of bonds issued by the Kentucky Infrastructure Authority under KRS 224A.120, the proceeds of which are to be used as grant funds to counties, cities, and solid waste management districts to be used to permanently close abandoned and unused landfills, until such time as all abandoned and unused landfills have been permanently closed, after which the cabinet shall provide these funds to counties to be used for other purposes relating to solid waste management;

2. Up to seven and one-half million dollars ($7,500,000) annually shall be made available to the cabinet for the purpose of funding grants to counties, cities, and solid waste management districts to be used for the cleanup of illegal dumps, not to include those containing hazardous waste;

3. One and one-half million dollars ($1,500,000) shall be distributed annually by the cabinet to the Kentucky Environmental Education Council established in KRS 157.910 to fund the master plan for environmental education, and for other litter awareness and education programs, and curriculum development and instruction;

(b) The remaining balance received by the cabinet from the Kentucky pride fund shall be apportioned among the one hundred twenty (120) counties for the purpose of removing litter from federal, state, county, and city roads for costs associated with solid waste collection, recycling, and continuous illegal dump cleanup, and for other purposes provided for in this section, as follows:

1. One-third (1/3) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio which the rural population of each county bears to the total rural population of the state as determined by the most recent decennial census of the United States Bureau of Census. "Rural population" as used in this section means the population in a county outside cities, towns, and urban areas having a population of two thousand five hundred (2,500) or more;

2. One-third (1/3) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio that the public road mileage outside of cities, towns, and urban areas having a population of two thousand five hundred (2,500) or more bears to the total mileage of these roads for the entire state;

3. One-third (1/3) shall be apportioned among the one hundred twenty (120) counties on the basis of the ratio which the total population of each county bears to the total population of the state as shown by the most recent decennial census of the United States Bureau of the Census; and

4. Of the moneys apportioned to counties on the basis of population as provided for in subparagraph 3. of this paragraph, the cabinet shall provide to the incorporated cities within the jurisdiction of each respective county which, by ordinance or other means, provide municipal solid waste collection service, an amount of funds equal to the ratio of that city's population to the population of the county, to be used for the purpose of cleaning up city streets and for other purposes relating to solid waste management and collection, recycling, and litter abatement.

(3) Counties shall be eligible to receive Kentucky pride fund money provided they employ a solid waste coordinator having specified responsibility for the implementation of the county's solid waste management plan and for the enforcement of all applicable litter and solid waste disposal laws.

(4) Counties, cities, and solid waste management districts receiving moneys according to this section shall establish separate line items in their budgets to account for the moneys received for each of the purposes provided for in subsections (2)(a) and (2)(b) of this section.

(5) Counties receiving moneys according to this section shall conduct cleanups of state and federal roads within their jurisdictions at least three (3) times per year and cleanups of county roads at least two (2) times per year. If the funds received by a county in any year pursuant to subsection (2)(b) of this section are insufficient to complete the annual requirements provided for in this subsection, the county shall be deemed in compliance with the requirements of this subsection. Counties that comply with this subsection using less funds than their annual allocation pursuant to subsection (2)(b) of this section may expend unused moneys to fund other projects and program activities related to solid waste management and collection, recycling, and litter abatement, including the repayment of loans used for the closure of abandoned landfills. Counties may, when available and feasible, utilize nonviolent misdemeanant and Class D felon inmate labor for litter and illegal open dump cleanups and pay the jail out of the Kentucky pride fund money received by the county a reasonable fee of not less than the minimum wage for the use of inmate labor to be credited to the jail fund and utilized for operating expenses of the county jail.

(6) Cities receiving moneys according to this section shall conduct cleanups of city streets at least two (2) times per year. If the funds received by a city in any year pursuant to subsection (2)(b) of this section are insufficient to complete the annual requirements provided for in this subsection, the city shall be deemed in compliance with the requirements of this subsection. Cities that comply with this subsection using less funds than their annual allocation pursuant to subsection (2)(b) of this section may expend unused moneys to fund other projects and program activities related to solid waste management and collection, recycling, and litter abatement, including the repayment of loans used for the closure of abandoned landfills.

SECTION 4. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) The cabinet may petition the Franklin County Circuit Court to permit it to intervene and assume responsibility for the management of a county's municipal solid waste management program in any county that fails to achieve and maintain a participation rate of at least eighty-five percent (85%) of the generators of municipal solid waste in a lawful disposal program by June 30, 2007. The burden of proof shall be on the cabinet to establish that the county has not achieved and maintained the required participation rate. Should the cabinet fail to establish that the county has not achieved or maintained the required rate, the court shall order the cabinet to pay the county for all costs incurred by the county in defense of the petition, including reasonable attorney fees.

(2) If the Circuit Court grants the petition, the cabinet shall assume responsibility for the management of a county's municipal solid waste management and other obligations under Section 3 of this Act until the required rate of participation is achieved and shall use all of the retained funds to manage those county programs that are funded according to the provisions of subsection (2)(a) and (2)(b) of Section 3 of this Act.

SECTION 5. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

The cabinet shall promulgate administrative regulations providing for county reporting requirements for program activities and for the application requirements, priority determination process, awards procedures, and accountability requirements for grants programs provided for in subsections (2)(a)1. and (2)(a)2. of Section 3 of this Act.

Section 6. KRS 109.310 is amended to read as follows:

(1) A county or ***waste management district providing solid waste collection services***[~~urban-county government~~] may collect solid waste ***collection service charges***[~~pick-up fees~~] which ***become***[~~are~~] delinquent ***after January 1, 2003, and which total six (6) months or more of service charges***[~~three (3) consecutive months or more~~] by combining the delinquent ***service charges***[~~fees~~] with the property tax bill for the ***real*** property where the solid waste ***collection***[~~pick up~~] is made. ***Delinquent charges to be collected by this combination may include service charges initially billed by the county or waste management district and may include late payment charges normally assessed by the county or waste management district to the date the charge is submitted to the county clerk***[~~The fees shall be limited to a return on capital expenditures and to cover operational costs~~].

(2) ***In counties with an ordinance requiring that all residents participate in curbside or end-of-driveway solid waste collection, delinquent charges to be collected may include late payment charges normally assessed by any entity providing solid waste collection service up to the date the delinquencies are submitted to the county clerk.***

(3) The ***collection service charges***[~~pick-up fee~~] when combined with the property tax bill shall be clearly set out as the delinquent amount owed for solid waste ***collection***[~~pick-up~~] services and shall in no way be represented as an assessment based on the value of the property. ***The delinquent service charges shall be collected in the same manner and shall be subject to the same discounts, penalties, interest, liens, and add-on fees as the county property taxes pursuant to KRS Chapters 132, 133, and 134. The county or waste management district may correct billing errors and shall have the authority to waive applicable penalties and interest where it is shown that failure to pay timely is due to reasonable cause.***

(4)[~~(3)~~] Sixty (60) days before a property tax bill which includes a delinquent solid waste ***collection service charge***[~~pick-up fee~~] is mailed, the county office responsible for solid waste ***collection***[~~pick-up~~] billing shall give written notice to the owner of the property that the ***collection***[~~pick-up~~] bill is delinquent and that, if left unpaid, the fee will be combined with the next property tax bill.

(5)[~~(4)~~] A county or urban-county government may waive the solid waste ***collection service charge***[~~pick-up fee~~] for businesses which request a waiver. The request for a waiver shall include a certification that the solid waste generated by the business is disposed of properly and include a description of the disposal method and the property owner's federal employer's identification number.

(6)[~~(5)~~] If the owner of the property is not the occupant of the property where the solid waste is ***collected***[~~picked up~~], the county or urban-county government shall waive the delinquent solid waste ***collection service charge***[~~pick-up fee~~] portion of the property tax bill if the owner of the property requests a waiver. In requesting the waiver, the owner shall certify he is not the occupant of the property and that the occupant will be notified that failure of the occupant to pay the solid waste ***collection service charge***[~~pick-up fee~~] will be considered a breach of the occupant's lease making the occupant subject to eviction.

Section 7. KRS 109.320 is amended to read as follows:

A county or urban-county government may exempt from paying a solid waste ***collection service charge***[~~pick-up fee~~] households which earn less than eight hundred and twelve dollars ($812) per month.

SECTION 8. A NEW SECTION OF KRS CHAPTER 438 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section, "litter" has the meaning provided in KRS 512.010.

(2) Violators of Section 9 or 10 of this Act, or KRS 433.875 may prepay to the Circuit Court clerk in the amount of one hundred dollars ($100) if prepayment is so noted on the citation and if the littering offense is not combined with an offense which is not prepayable.

(3) Sixty percent (60%) of fines for violations of Sections 9 and 10 of this Act and KRS 433.875 shall be transferred by the Circuit Court clerk to the county, for inclusion in the general fund of the county in which the offense occurs, and forty percent (40%) of these fines shall be transferred to the agency responsible for issuing the citation.

Section 9. KRS 433.753 is amended to read as follows:

(1) When any paper, waste material, litter***,*** or other refuse is thrown or dropped from a motor vehicle, the operator thereof shall be deemed prima facie to be guilty of criminal littering.

(2) It shall be the duty of the Kentucky State Police, county sheriffs and police officers, ***county solid waste coordinators,*** city police officers, and all other law enforcement and peace officers within their respective jurisdictions, to enforce the criminal littering laws.

(3) Any city or county may offer and pay rewards for the giving of information leading to the arrest and conviction of any person, firm or corporation for commission of the offense of criminal littering.

Section 10. KRS 433.757 is amended to read as follows:

(1) When any litter as defined in KRS 512.010 is thrown or dropped from a motorboat or vessel as defined in KRS 235.010, the operator thereof shall be deemed prima facie to have violated KRS 512.070.

(2) It shall be the duty of officers of the Department of Fish and Wildlife Resources as provided in KRS 235.010 and KRS Chapter 150 and all other law enforcement and peace officers of the Commonwealth and its political subdivisions ***and***

county solid waste coordinators to enforce the provisions of KRS 512.070.

(3) Any city or county may offer and pay rewards for the giving of information leading to the arrest and conviction of any person, firm, or corporation for a violation of KRS 512.070.

The Committee Substitute to **HB 174** is as follows:

HB 174, AN ACT relating to environmental protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.43-010 is amended to read as follows:

(1) It is hereby declared to be the policy of this Commonwealth and the purpose of this chapter to provide for the management of solid waste, including reduction, collection, transportation, and disposal in a manner that will protect the public health and welfare, prevent the spread of disease and creation of nuisances, conserve our natural resources, and enhance the beauty and quality of our environment.

(2) It is the policy of the Commonwealth to limit and reduce the amount of solid waste disposed in municipal solid waste disposal facilities in the Commonwealth ***through reduction in the amount of waste generated, reuse of solid waste, waste recycling or yard waste composting, and resource recovery,*** and to encourage a regional approach to solid waste management.

(3) It is the policy of the Commonwealth that a comprehensive and integrated waste management system to handle solid waste is to be fostered. State policies and funding assistance shall reflect a preference for ***projects and practices consistent with the policies and goals established by this section***[~~solid waste management practices according to the following priority:~~

~~(a) Reduction in the amount of waste generated;~~

~~(b) Reuse of solid waste;~~

~~(c) Waste recycling or yard waste composting;~~

~~(d) Resource recovery through mixed municipal solid waste composting or incineration;~~

~~(e) Land disposal in publicly owned landfills or incineration of solid waste without energy recovery; and~~

~~(f) Land disposal in landfills other than publicly-owned landfills~~].

(4) It is ***the policy of the Commonwealth that existing open dumps be cleaned up and that new open dumps be prevented***[~~further the goal of this Commonwealth that the amount by weight of municipal solid waste disposed at municipal solid waste disposal facilities shall be reduced by a minimum of twenty-five percent (25%) by July 1, 1997, as compared to fiscal year 1993 on a statewide per capita basis. However, credit shall be given for reductions achieved prior to 1993 when accurate measurements are available. The reduction goal shall not apply to special wastes as designated by KRS 224.50-760 or industrial solid waste~~].

(5) It is the policy of the Commonwealth that municipal solid waste disposal facilities that ceased accepting waste before July 12, 1992 undergo proper closure, characterization, and corrective action.

(6) The General Assembly finds that the goal of reducing the amount of solid waste disposed in municipal solid waste disposal facilities cannot be achieved without first identifying the amount of municipal solid waste generated statewide per capita, including the waste now disposed in open dumps, and providing incentives for the cleanup of existing open dumps and the prevention of new open dumps.

SECTION 2. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

As used in Sections 2 to 4 of this Act, unless the context requires otherwise:

(1) "Environmental impact fee" means a fee paid on a product to pay costs associated with disposal of that product or the product's receptacle;

(2) (a) "Beverage" means any of the following products or mixture of the following products if the products are in liquid, ready-to-drink form, and intended for human consumption:

  1. Beer or other malt beverages;

  2. Carbonated and noncarbonated soft drinks;

  3. Carbonated or noncarbonated water;

  4. Wine and distilled spirits;

  5. Fruit or vegetable juices and drinks, except as provided in subsection (2)(b) of this section;

  6. Sport drinks; and

  7. Coffee and tea drinks.

(b) The term "beverage" does not include the following products:

  1. Infant formulas, cereals, and juices;

2. Milk or milk products, soy, rice, or similar milk substitutes;

3. Medical food intended to manage a disease or health condition and requiring a prescription;

4. Fruit and vegetable juice drinks in containers that are twenty-five (25) ounces or more in volume, or in containers that are greater than four (4) ounces and less than twenty-five (25) ounces that are packaged in units of three (3) or more containers; and

5. Nutritional products, vitamin-fortified and specifically designed to gain, reduce, or maintain weight and to aid in the consumption of a healthy diet;

(3) "Beverage cup" means:

(a) An individual disposable cup used by the fast food retail establishment industry to dispense beverages; or

(b) An individual disposable cup used by retailers which provide them to customers on a routine basis for the purpose of consumption of beverages purchased from the retailer off the premises of the retailer;

(4) "Container" means an individual bottle, can, jar, or other receptacle, not to include beverage cups or refillable cups as defined in this section, with a capacity of four (4) fluid ounces up to one (1) gallon, that contains a beverage, and which is constructed of metal, glass, plastic, paper, or any combination of these materials;

(5) "Distributor" means any person who engages in the sale of containers and who is the first person to sell the containers in this Commonwealth, including a manufacturer if the manufacturer engages in these sales and a person who imports containers from outside this Commonwealth;

(6) "Refillable container" means any container that:

(a) Is capable of being refilled multiple times; and

(b) Is distributed by a distributor that operates or has arranged for the operation of a facility and system that processes and refills all returned refillable containers sold by that distributor in the Commonwealth;

(7) "Tipping fee" means a fee paid by operators for each ton of municipal solid waste disposed in the operator's municipal solid waste disposal facility;

(8) "Fast food retailer" means a facility with a drive-through window through which food and beverages are sold; and

(9) "Retailer" means a business which is liable for the sales tax imposed by KRS 139.200.

SECTION 3. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) Beginning with the effective date of this Act, distributors shall pay to the Revenue Cabinet on a monthly basis one-half of one cent ($0.005) for each container sold in Kentucky as an environmental impact fee.

(2) Beginning on the effective date of this Act, fast food retail establishments shall pay to the Revenue Cabinet on a monthly basis one-half of one cent ($0.005) for each beverage cup sold or provided in Kentucky, as an environmental impact fee.

(3) Beginning on the effective date of this Act, retailers, other than fast food retailers, which provide disposable beverage cups to customers on a routine basis for the intended purpose of consumption of beverages purchased from the retailer off the premises of the retailer shall pay to the Revenue Cabinet on a monthly basis one-half of one cent ($0.005) for each such beverage cup sold or provided in Kentucky, as an environmental impact fee.

(4) Beginning on January 1, 2003, every operator of a municipal solid waste disposal facility shall pay a tipping fee of one dollar ($1) per ton of waste disposed in the facility, in addition to fees and charges assessed prior to January 1, 2003. Each operator shall pay the tipping fee to the Revenue Cabinet monthly.

(5) If a distributor, fast food retailer, retailer, or landfill operator fails to make a payment and file a return required by this section on or before the due date established by the Revenue Cabinet, the Revenue Cabinet may assess a penalty of ten percent (10%) of the amount due, plus an additional penalty of five percent (5%) of the amount due for each additional month payment is late, and interest at the rate provided for in KRS 131.183. All assessment and collection powers conveyed to the Revenue Cabinet for the assessment and collection of taxes shall apply to the assessment and collection of the environmental impact fees and the tipping fees. Any assessment issued pursuant to this section shall be subject to the protest and appeal requirements provided for in KRS Chapter 131.

(6) All payments, interest, and penalties collected by the Revenue Cabinet under this section shall be transferred monthly into the Kentucky pride fund established in Section 4 of this Act. All assessment and collection powers conveyed to the Revenue Cabinet for the assessment and collection of taxes shall apply to the assessment and collection of the environmental impact fees and the tipping fees. The Revenue Cabinet shall be reimbursed from the Kentucky pride fund for its costs incurred in assessing and collecting the fees, with the reimbursement not to exceed fifty thousand dollars ($50,000) per year.

(7) The Revenue Cabinet shall prescribe by administrative regulation, requirements for registration and remittance of the environmental impact fees and tipping fees, including the manner in which the fees shall be paid and reported, the information required on the reports, and the dates for filing.

SECTION 4. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) A trust fund known as the Kentucky pride fund is hereby established in the State Treasury to receive money collected from environmental impact fees and tipping fees established in Section 3 of this Act. The fund shall be used to accomplish the purposes established in this section. Any money accruing to the fund in any fiscal year shall not lapse but shall be carried forward to the next fiscal year. The fund may also receive state appropriations, gifts, grants, and federal funds. All interest earned on money in the fund shall be credited to the fund.

(2) The cabinet shall administer the Kentucky pride fund as provided by this section and any administrative regulations promulgated pursuant thereto. Money from the fund received by the cabinet, less the costs reimbursed to the Revenue Cabinet, shall be distributed as follows:

(a) Nine million dollars ($9,000,000) of the money deposited into the fund each year shall be retained by the cabinet, subject to the following conditions:

1. Up to fifty thousand dollars ($50,000) shall be reimbursed to the Revenue Cabinet for its costs for collecting the Environmental Impact Fees and the tipping fees as provided for in Section 3 of this Act;

2. The cabinet shall be reimbursed from its share of the fund for its costs incurred in administering this section; and

3. The cabinet shall use the remainder of the nine million dollars ($9,000,000) deposited into the fund exclusively for undertaking, by contract, the proper closure, characterization, and corrective action for municipal solid waste disposal facilities that ceased accepting waste before July 1, 1992. This includes identification of the facilities, prioritization of the facilities for expenditure of funds, and design and implementation of proper closure, characterization, and corrective action for the facilities.

(b) Nine million dollars ($9,000,000) of the money deposited into the fund each year shall be reserved for counties, based on each county's population as a percentage of the Commonwealth's total population at the time of distribution. Distribution of the money over the fiscal year shall be made semiannually, and shall be subject to the following conditions:

1. A county demonstrating to the cabinet that it is free of open dumps shall receive one hundred percent (100%) of its reserved share. The county shall use the money received to clean up any new open dumps which may have been created since the county was declared dump-free. After all open dumps are cleaned up, the county may use the remaining money for other county services.

2. A county that does not demonstrate to the cabinet that it is free of open dumps, but which has enacted and enforces an ordinance mandating participation by all households and businesses in a universal collection program meeting the requirements provided for in subsection (1) of Section 6 of this Act, shall receive one hundred percent (100%) of its reserved share, to be used exclusively to clean up all identified open dumps within the county on the schedule set out in the cabinet-approved solid waste management plan in effect for the county. After all open dumps are cleaned up, the county may use the money for any programs related to the environment.

3. A county that does not qualify for a distribution pursuant to subparagraph 1. or 2. of this paragraph, but does have a universal collection program for municipal solid waste deemed effective by the cabinet, shall receive one hundred percent (100%) of its reserved share, to be used exclusively to clean up all identified open dumps within the county on the schedule set out in the cabinet-approved solid waste management plan in effect for the county, provided that it apply county funds or in-kind contributions to the cleanup in an amount no less than twenty-five percent (25%) of its reserved share. After all open dumps are cleaned up, the county may use the money for other county services.

4. Any money reserved for a county that is not distributed as provided by subparagraphs 1. to 3. of this paragraph shall be returned to the Kentucky pride fund for subsequent distribution pursuant to subparagraphs 1. to 3. of this paragraph.

(c) Up to ten and one-half million dollars annually ($10,500,000) of the money deposited into the fund shall be reserved and distributed monthly to counties for anti-litter and litter control programs, universal collection programs, recycling, and solid waste management infrastructure, as identified in the cabinet-approved solid waste management plan in effect for the county, with distributions to be made as follows:

1. Thirty-three and one-third percent (33-1/3%) of the money shall be distributed monthly based on each county's lane-miles of public roads as a percentage of the total lane-miles of public roads in the Commonwealth at the time of distribution, excluding interstate highways.

2. Thirty-three and one-third percent (33-1/3%) of the money shall be distributed monthly based on the county's rural population as a percentage of the total rural population of the Commonwealth at the time of distribution. "Rural population" means the population residing outside a city, town, or urban area with a population of two thousand five hundred (2,500) persons or more.

3. Thirty-three and one-third percent (33-1/3%) of the money shall be distributed monthly based on the *county's population as a percentage of the total population of the Commonwealth at the time of distribution.*

4. Of the moneys apportioned to counties on the basis of population as provided for in subparagraph 3. of this paragraph, the cabinet shall provide to the incorporated cities within the jurisdiction of each respective county which, by ordinance or other means, provides municipal solid waste collection service, an amount of funds equal to the ratio of that city's population to the population of the county, to be used for the purpose of cleaning up city streets and for other purposes relating to solid waste management and collection, recycling, and litter abatement.

(d) One and one-half million dollars ($1,500,000) of the money deposited into the fund annually shall be distributed monthly to the Education, Arts and Humanities Cabinet for development and implementation of an environmental education curriculum pursuant to KRS 157.900 to KRS 157.915.

(e) In the event that the sum total balance of the Kentucky pride fund in any fiscal year exceeds thirty million dollars ($30,000,000) adjusted annually for any increase in the Consumer Price Index, then the surplus amount in an amount not to exceed ten million dollars ($10,000,000), adjusted annually by any increase in the Consumer Price Index, shall be reinvested and disbursed as follows:

1. Fifty percent (50%) to the Kentucky Parks Enhancement Fund; and

2. Fifty percent (50%) to the Department of Fish and Wildlife.

(f) The surplus money allocated to the Kentucky Parks Enhancement Fund shall be used for the cleanup and beautification of existing state parks and the acquisition and restoration of significant natural areas. The money allocated to the Department of Fish and Wildlife Resources shall be used as the source of state matching dollars for any federal or private grants, aids or funds which may be available and the acquisition, management, and operation of wild life management areas.

(g) Any Kentucky pride fund money over and above the allocations as provided for in paragraph (e) of this subsection shall be divided as follows:

1. Sixty percent (60%) to the Kentucky pride fund;

2. Twenty percent (20%) to the Kentucky Parks Enhancement Fund; and

3. Twenty percent (20%) to the Department of Fish and Wildlife Resources.

Section 5. KRS 224.43-310 is amended to read as follows:

(1) The Natural Resources and Environmental Protection Cabinet of the Commonwealth of Kentucky is designated as the official planning and management agency of the Commonwealth of Kentucky in the field of solid waste. The cabinet shall have primary responsibility for coordinating the solid waste planning and management activities of waste management districts, counties, cities, area development districts, and any combination thereof and for the approval of solid waste management facilities. In doing so it shall be the goal of the cabinet to reduce the amount of solid waste disposed in municipal solid waste disposal facilities within the Commonwealth and to encourage regional management of solid waste.

(2) The cabinet shall have the primary responsibility to develop, review, report on, and triennially update a statewide solid waste reduction and management plan. A draft plan shall be prepared and made available for public inspection by December 1, 1991; a proposed final plan shall be submitted to the General Assembly by February 1, 1992; and a final plan shall be submitted to the General Assembly by March 1, 1992. The plan shall be designed to address the following:

(a) Coordination of area plans and provision of support for area planning efforts;

(b) *Cleanup of existing open dumps and prevention of new open dumps;*

(c) Proper closure, characterization, and corrective action for municipal solid waste disposal facilities that ceased accepting waste before July 1, 1992;

(d) Reductions in solid waste disposed in municipal solid waste disposal facilities within the Commonwealth by actively promoting reuse and reduction consistent with the *policies and* goals established by KRS 224.43-010;

(e)[~~(c)~~] Adequate capacity exists for recycling or disposal of solid waste generated within the Commonwealth for[~~ a~~] five (5), ten (10), and twenty (20) year *planning periods*[~~period~~];

(f)[~~(d)~~] *Maintenance of* disposal capacity for solid waste generated in the Commonwealth[~~ is maintained~~] if the cabinet acts to close a solid waste management facility;

(g)[~~(e)~~] *Encouragement of* regional alternatives for waste reduction and management[~~ are encouraged~~] in the planning process;

(h)[~~(f)~~] Priority in grants and loans[~~ is afforded~~] for *projects and practices consistent with the policies and goals established by Section 1 of this Act*[~~regional waste reduction and management alternatives~~];

(i)[~~(g)~~] *Minimum standards and procedures for* solid waste management plans *as*[~~ meet minimum standards and procedures~~] established by the cabinet in administrative regulations;

(j)[~~(h)~~] A description of the status of solid waste reduction and management efforts in Kentucky;

(k)[~~(i)~~] Identification of state actions and responsibilities necessary to implement this chapter; and

(l)[~~(j)~~] Identification of problems impeding the attainment of the policies and goals of this chapter.

(3) The ***statewide solid waste reduction and management*** plan shall not establish maximum disposal capacity limitations for the Commonwealth.

(4) The cabinet, beginning July 1, 1992, shall report annually to the Governor and to the General Assembly on the status of solid waste management in the Commonwealth. The report filed July 1, 1992, shall present the current status of solid waste planning and management in the Commonwealth. Subsequent annual reports shall include, but not be limited to:

(a) The status of solid waste planning and management;

(b) The number and types of recycling and solid waste management facilities in the Commonwealth;

(c) ***The status of actions taken to:***

1. Clean up existing open dumps and prevent new open dumps; and

2. Undertake proper closure, characterization, and corrective action for municipal solid waste disposal facilities that ceased accepting waste before July 1, 1992;

(d) The remaining permitted capacity of each permitted solid waste management facility;

(e)[~~(d)~~]The number and types of solid waste grants or loans made to cities, counties, waste management districts, and area development districts;

(f)[~~(e)~~] A compilation and analysis of solid waste reduction and management data provided to the cabinet;

(g)[~~(f)~~] A statement of progress achieved in meeting the ***policies and*** goals established by KRS 224.43-010;

(h)[~~(g)~~] A statement of progress achieved in solid waste management education;

(i)[~~(h)~~] A statement of progress achieved in establishing regional solid waste management approaches;

(j)[~~(i)~~] Any revisions in the statewide solid waste reduction and management plan; and

(k)[~~(j)~~] Recommendations for improving the reduction and management of solid waste in the Commonwealth.

(5) ***On March 1 of each year***[~~Beginning January 1, 1993~~], each governing body shall report annually to the cabinet on the status of solid waste management in its area. The annual report shall include, but not be limited to:

(a) The amount of in-area and out-of-area municipal solid waste disposed in municipal solid waste disposal facilities in the area;

(b) The[~~ progress on the reduction in municipal solid waste disposal in the area since the previous reporting period and~~] total cumulative progress made toward meeting the ***policies and goals established by***[~~state reduction goal described in~~] KRS 224.43-010;

(c) The remaining permitted capacity of disposal facilities;

(d) Recycling and composting activities in existence;

(e) Public information and education activities during the reporting period;

(f) Fees for solid waste management assessed and collected;[~~ and~~]

(g) ***Costs of any projects undertaken pursuant to the solid waste management plan; and***

(h) Any other pertinent information as may be required by the cabinet.

[~~(6) There is created a Solid Waste Reduction and Management Plan Advisory Committee to advise and review a draft and final solid waste reduction and management plan and any amendments of the plan prepared by the cabinet under subsection (2) of this section.~~]

~~(7) The Solid Waste Reduction and Management Plan Advisory Committee shall consist of the secretary of the Natural Resources and Environmental Protection Cabinet or his designee who shall serve as chairman, one (1) member of the Senate to be appointed by the President, one (1) member of the House of Representatives to be appointed by the Speaker of the House of Representatives, and nine (9) members to be appointed by the Governor as follows:~~

~~(a) Two (2) members shall represent the interest of counties;~~

~~(b) Two (2) members shall represent the interests of cities, one (1) from a first or second class city or urban county government and one (1) from either a third, fourth, fifth, or sixth class city;~~

~~(c) One (1) member shall represent the interests of industrial generators of solid wastes;~~

~~(d) One (1) member shall represent the private recycling industry;~~

~~(e) One (1) member shall represent the private solid waste disposal industry;~~

~~(f) One (1) member shall be from a statewide environmental advocacy organization; and~~

~~(g) One (1) member shall represent the public-at-large.~~

~~(8) Vacancies on the committee shall be filled in the same manner as the original appointment occurred.~~

~~(9) Nonlegislative members of the committee shall serve without pay and shall receive their reasonable and necessary~~

~~expenses in connection with the performance of their duties.~~

~~(10) The committee shall meet at the call of the chairman. The committee may hold public hearings or make site visits as necessary. A quorum of its members is necessary to take action on any matter. A majority vote of the total members present must approve any action.~~

~~(11) Following adoption of the statewide solid waste reduction and management plan, the committee shall remain in service to provide guidance and advice to the cabinet in the implementation of the plan. The committee shall no longer remain in service after the 1994 General Assembly unless the 1994 General Assembly takes action to continue the committee.~~]

Section 6. KRS 224.43-315 is amended to read as follows:

(1) Each county shall provide a universal collection program by ***October 1, 2003***[~~July 1, 1994~~], for all municipal solid waste generated within the county. ***Universal collection programs in existence on the effective date of this Act shall continue in effect until the universal collection program required by this section is provided.*** Collection programs may include ***one or more of the following options***:

(a) Door-to-door household collection: Collection service may be provided by the county, by contract, or franchise.[~~When door-to-door collection is provided by contract, or franchise, or under local permit, the county shall require reports from the entity providing collection to document the rate of collection.~~]

(b) Direct haul to staffed convenience centers or staffed transfer facilities within the county: The county may allow residents to haul their waste directly to cabinet-approved staffed convenience centers or staffed transfer facilities within the county. The number of convenience centers and transfer facilities shall be adequate to assure reasonable convenience.[~~When the collection program is provided by another entity through contract or franchise, the county shall require reports from the entity providing collection to document the rate of collection; or~~]

(c) Other alternatives proposed by counties: Counties may propose other alternatives ***including subscription service,*** and the cabinet shall approve same as long as the county can demonstrate that all of its citizens are being given access to the solid waste collection system which is proposed ***and the solid waste collection system does not include unstaffed collection boxes.***

(2) Beginning October 1, 2003, all persons providing commercial collection service, including collection for the purpose of recycling, shall register annually with the counties in which they provide the service.

(3) Beginning January 1, 2004, all persons providing commercial collection service, including collection for the purpose of recycling, shall report annually to the counties in which they provide the service. The reports shall include:

(a) The address of each household, business, and industry served;

(b) The amount of municipal solid waste collected for disposal;

(c) The amount of municipal solid waste collected for recycling, by weight or number of items; and

(d) The types of items collected for recycling.

(4)[~~(2)~~] The county shall submit an annual report to the cabinet and to any waste management district of which it is a member detailing its solid waste collection activities in accordance with ***this section and any*** requirements established by the cabinet by administrative regulation.

(5)[~~(3)~~] The county may enter into agreements with any person for the performance of the responsibilities described in this section, including cities within its geographic boundaries, but the county shall be responsible for providing the universal collection program described in this section, except any city of the first or second class having sole responsibility for developing its portion of the solid waste plan shall be responsible for providing the universal collection within its jurisdiction, and except any city contracting for the collection of its solid waste on February 26, 1991, may continue to contract for the collection of its solid waste if the contract provides for disposal in accordance with the area solid waste management plan.

(6)[~~(4)~~] If a county or city fails to comply with the provisions of this section, the Commonwealth shall not endorse projects that generate solid waste under the Kentucky intergovernmental review process for the county or city.

(7)[~~(5)~~] A commercial or industrial entity which transports or contracts for the transport of the municipal solid waste it generates or which operates an industrial solid waste management facility for its exclusive use may be excluded from participation in the universal collection program***, if the commercial or industrial entity demonstrates to the county that the solid waste generated is disposed in accordance with applicable statutes and administrative regulations***.

Section 7. KRS 224.43-340 is amended to read as follows:

(1) The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 224 for the reduction and management of solid waste, consistent with the statewide solid waste reduction and management plan, the ***policies and*** goals established by KRS 224.43-010, and the provisions of KRS Chapter 109.

(2) Waste management districts, counties, or any combination thereof, shall confer and determine which shall submit to the cabinet a solid waste management plan. The plan shall address municipal solid waste management needs for the area. Each county shall be responsible for implementing the plan, except that any city of the first or second class having sole responsibility for developing the portion of the area plan applicable to its jurisdiction shall be responsible for

implementing the portion of the plan prepared by the city. However, if a county participates in a regional solid waste management area, then the governing body of the solid waste management area shall be responsible for implementing those components of the plan it is assuming on behalf of the county. However, the cabinet shall not disapprove a solid waste management plan for a single county if the plan complies with the requirements of KRS Chapter 224 and administrative regulations adopted by the cabinet. Plans shall be updated once every five (5) years. Plans may be amended and such amendments shall be submitted to the cabinet for review and approval. The review and approval of the cabinet shall be limited to a determination of whether the proposed amendments are in conformity with KRS 224.43-345 and the statewide solid waste reduction and management plan and KRS Chapter 224 and administrative regulations adopted by the cabinet.

(3) A county may delegate responsibility for preparing all or portions of the plan to one (1) or more cities within the county. Such delegation of responsibility shall be made only with the mutual agreement of the city and county. Each city and county shall be included in a solid waste management plan.

(4) Any city of the first or second class shall have the sole responsibility for developing and preparing the portion of the solid waste management plan applicable to the jurisdiction of the city, unless the city elects to have the county prepare the plan. If the city prepares the solid waste management plan for its jurisdiction, the city plan shall be incorporated within the area plan prior to its submission to the cabinet. The plan developed by the city, to the extent practicable, shall be reasonably consistent with the plan developed by the county. The cabinet, as a part of the area plan approval process, shall determine whether the city portion of the area plan is reasonably consistent with the overall area plan so as to effectuate the purposes of this chapter.

(5) Cities, other than of the first or second class, operating solid waste management facilities or services, or who contracted with a person to provide such services on or before July 13, 1984, and pay a pro rata share of the cost of plan development may assume joint responsibility with a county for plan development. Where joint responsibility for plan development is assumed, both the county fiscal court and city legislative body must adopt the plan before it is submitted to the cabinet for approval.

(6) Counties, waste management districts, or any combination thereof preparing the solid waste management plan shall apply for and be designated as a solid waste management area. The application shall be submitted by June 1, 1991. The application shall include but not be limited to:

(a) A brief description of existing disposal capacity and of the capability of the proposed area to effectively manage solid waste;

(b) Resolution of the fiscal courts of all counties in the proposed area approving the application for designation;

(c) Resolution of those city legislative bodies in the proposed area that are currently operating solid waste management facilities or services and will participate in and provide financial assistance in plan development;

(d) Any agreement or contract necessary to establish the proposed area; and

(e) Resolution of the boards of any existing waste management districts located within the proposed area approving the application for designation.

(7) The jurisdiction of the solid waste management area shall be limited to the geographical area established or designated by the cabinet in accordance with the provisions of this chapter unless the preparer submits justification for any deviation therefrom acceptable to the cabinet.

(8) Upon receipt of such application, the cabinet shall, within thirty (30) days either approve the creation of a proposed solid waste management area or shall disapprove such application, and in the event of disapproval shall state in writing the reasons for such disapproval. Any changes in the application contents shall be submitted to the cabinet.

(9) Solid waste management areas shall be designated for five (5) year periods. At the end of five (5) years, the plan shall be updated and reapproved by the cabinet.

(10) If the cabinet does not receive on behalf of a county a solid waste management plan and the application for a solid waste management area in which the county will participate required by this section and KRS 224.43-345, the cabinet may develop a solid waste management plan for that county or may place that county in a designated solid waste management area.

(11) If the solid waste management plan for a county is not implemented, the Commonwealth shall not endorse projects that generate solid waste under the Kentucky intergovernmental review process for that county.

(12) The governing body of a solid waste management area ***shall***[~~may~~] employ***, alone or in conjunction with governing bodies of other solid waste management areas, a solid waste coordinator with enforcement powers necessary***[~~an enforcement representative~~] to ensure compliance with ***the area's solid waste management plan and any applicable statutes or administrative***[~~applicable~~] regulations of the cabinet relating to ***solid waste management***[~~construction and operation of municipal solid waste management facilities. The enforcement representative shall possess at least minimum qualifications required of representatives of the cabinet performing similar functions~~].

Section 8. KRS 224.43-345 is amended to read as follows:

(1) Each area solid waste management plan shall be prepared in accordance with ***any*** administrative regulations ***of***[~~to be~~

~~adopted by~~] the cabinet and shall be required to include the following:

(a) Identification of the area that will be included in the plan;

(b) A demographic study of the planning area of current and projected populations five (5), ten (10) and twenty (20) years in the future. A projection of the amount and source of solid waste generated***, collected*** and requiring disposal at municipal solid waste disposal facilities for each of these time periods shall be provided;

(c) An inventory and description of all existing solid waste management facilities and activities. The description shall include their identity, location, life expectancies, ownership, cost to the users, and level of compliance with state and federal laws. The description is not required to include any solid waste management facility which is operated exclusively by a solid waste generator on property owned by the solid waste generator for the purpose of accepting solid waste from the solid waste generator or waste generated at another facility owned and operated by the generator or wholly-owned subsidiary. After commencement of operation by a solid waste generator of a solid waste disposal facility which is permitted but not included in a solid waste management plan, an amendment to a solid waste management plan shall be required for any solid waste which is to be no longer disposed by the solid waste generator in its own solid waste disposal facility;

(d) An estimate of the area's long-range needs for solid waste management and facilities for five (5), ten (10), and twenty (20) years into the future;

(e) Identification and assessment of current and future solid waste management problems faced by the area. List any deficiencies with existing solid waste management facilities in meeting current and future area needs, and identify opportunities for improvement;

(f) Outline short-term, mid-term, and long-term goals and objectives of the solid waste management area. The goals and objectives shall be consistent with ***the***[~~state~~] policies ***and goals set out in Section 1 of this Act***;

(g) Based on the problems, needs, goals, and objectives previously identified, identify alternative approaches to solid waste management and select the optimal alternatives. Solid waste management activities and facilities to be addressed include:

1. Identification of those regulations and ordinances which provide for proper, safe, and sanitary management of solid waste;
2. A description of proposed improvements to existing solid waste collection and transportation systems ***necessary to achieve universal collection***;
3. Establishment of a siting procedure and development program to assure the orderly location, development, and financing of new or expanded municipal solid waste management facilities. The plan shall demonstrate how all persons in the planning area will within the near future have reasonable opportunity to dispose of their waste in a manner that complies with state and federal laws;
4. Identification of planned programs for the control and cleanup of litter and open dumps. The programs shall include: ***identification of an approved***[~~a~~] schedule for the cleanup of[~~ illegal~~] open ***dumps in existence as of October 1, 2002***[~~dump sites which will result in the cleanup of those sites within one (1) year of cabinet approval of the plan~~]; an annual survey of the ***planning area***[~~county~~] to discover new ***open dumps***[~~sites~~] which shall then be scheduled for cleanup within one (1) year ***unless the cabinet approves a longer schedule***;[~~ and~~] measures to prevent the recurrence of dumping at sites which are cleaned up***; and cleanup of litter along public roads, excluding interstate highways, three (3) times per year; and cleanup of litter along city streets two (2) times per year. In these public road cleanups and also open dump cleanups, nonviolent misdemeanant and Class D felon inmate laborers may be used, subject to the approval of the jailer, and the jail shall be paid from county funds received from the Kentucky pride fund, a reasonable fee of not less than the minimum wage for the use of inmate labor and this money shall be credited to the jail fund and utilized for operating expenses of the county jail. A county that does not receive in any year an allocation from the Kentucky pride fund sufficient to complete the number of road cleanups provided for in this section shall not be deemed out of compliance***;
5. An assessment of opportunities to reduce the need for land disposal by banning grass clippings, leaves, and other yard wastes from municipal solid waste disposal facilities and the institution of composting operations for grass clippings, leaves, and other yard wastes;
6. Establishment of a plan to reduce the need for land disposal through waste reduction and recycling, materials recovery, and energy recovery and the provision of opportunities for recycling that may include, but are not limited to, drop-off centers or door-to-door collection. Where recycling or material recovery is not deemed feasible, specific factual analysis shall be provided to support the conclusion; and
7. A description of any proposed recycling, materials recovery, or energy recovery plan or facility;

(h) A five (5) year schedule and description of activities to be undertaken to implement the proposed plan;

(i) A description of short-term costs of the plan including capital and operational costs[~~ on a per-ton and per-capita basis~~] for each element of the plan, and the identification of the means of financing plan implementation;

(j) Designation of the governing body for implementation of the solid waste management plan or components of the plan. A description of its responsibilities and authority shall be provided;

(k) A description of proposed surveillance and enforcement procedures to assure that solid waste in the planning area is properly managed. Identification of modifications to local laws and regulations necessary to implement the area plan;

(l) Specific provisions to assure that adequate capacity for a ten (10) year period shall be available for municipal solid waste generated in the solid waste management area, and identification of any additional capacity authorized for disposal of out-of-area municipal solid waste;

(m) Contractual agreements for use of waste disposal capacity at any municipal solid waste disposal facility inside or outside the waste management area identified and relied upon in the plan;

(n) Provisions to assure achievement of[~~ reductions in municipal solid waste requiring disposal, consistent with~~] the ***policies and*** goals of KRS 224.43-010;

(o) Establishment of a public information and participation process including the following components;

1. Formation of an advisory committee comprised of local residents, and business and industry representatives;
2. Preparation of a draft plan for public notice and comment;
3. Convening of a public hearing upon request; and
4. Publication of a response to public comments.

(2) ***A***[~~The~~] solid waste management plan ***complying with subsection (1) of this section***[~~shall consist of two (2) parts. The first part shall contain the information described in subsection (1)(a) through (1)(d) and (1)(l) of this section and~~] shall be submitted to the cabinet by October 1, ***2002, and updated every five (5) years thereafter***[~~1991. The second part shall contain the information described in subsection (1)(a) through (1)(o) of this section and shall be submitted to the cabinet by January 1, 1993. The cabinet shall approve or disapprove the first part of the plan within thirty (30) days of receipt, and the second part of the plan within one hundred twenty (120) days of receipt~~]. ***The cabinet shall make its determination approving or disapproving a plan within one hundred twenty (120) days of receipt. A plan on which the cabinet has not yet made a determination shall remain in effect until the determination is made.***

Section 9. KRS 109.042 is amended to read as follows:

(1) A county or waste management district ***shall***[~~may~~] employ***, alone, with other counties or districts, or with the governing body for the solid waste management area of which the county or district is a part, a solid waste coordinator***[~~an enforcement representative~~] to ensure compliance with applicable ***statutes and*** administrative regulations of the cabinet relating to[~~ construction and operation of~~] solid waste management[~~ facilities~~]. The ***duties of the solid waste coordinator shall be established by the county or waste management district***[~~local government representative shall have the authority to inspect loads of solid waste and prevent any loads, which fail to comply with administrative regulations, from being disposed of at the solid waste management facility. The local government representative shall possess at least minimum qualifications required of representatives of the cabinet performing similar functions~~].

(2) The cabinet ***may***[~~shall~~] adopt administrative regulations for local government inspection of solid waste management facilities and enforcement procedures. The administrative regulations ***may***[~~shall~~] include but not be limited to, requiring ***solid waste coordinators***[~~local enforcement representatives~~] to report violations of state solid waste management facilities laws and administrative regulations immediately to the cabinet and requiring the cabinet to respond to the report within forty-eight (48) hours of its receipt.

(3) A county or waste management district which elects to implement a local inspection and enforcement program for solid waste management facilities may finance the program from the license fees provided for in KRS 68.178.

Section 10. KRS 109.056 is amended to read as follows:

(1) Any county or waste management district[~~, if authorized by all the counties that comprise the district,~~] may levy an annual tax, not to exceed ten cents ($0.10) on each one hundred dollars ($100) of assessed valuation of real property within the area subject to taxation for county purposes. The proceeds of such tax shall be used for solid waste management expenses of the ***county or waste management district***[~~area~~] and for redemption of any bonds issued.

(2) The county or waste management district[~~, if authorized by the counties that comprise the district,~~] may in lieu of the tax provided in subsection (1) of this section or in addition thereto finance the maintenance, operation, and capital acquisition costs of the ***county or waste management district***[~~area~~] by ***service charges***[~~fees~~] to be collected from all persons receiving services from the ***county or waste management district***[~~area~~]. The ***service*** charges shall be fixed in amounts as can be reasonably expected to yield revenues not in excess of the cost of operation and maintenance of the ***solid waste management services, including the cost of carrying any delinquent payments for service***[~~system~~] and for an adequate depreciation fund and amortization of capital acquisition costs.

(3) The service charges authorized by ***subsection***[~~subsections (1) and~~] (2) of this section may be collected by the ***county or waste management district***[~~area~~] directly***, by***[~~ or the area may enter into an~~] agreement with[~~ other~~] utilities either public or private to collect such charges***, or by a private entity providing solid waste management service or billing service***.

(4) A county or waste management district may place an annual service charge for solid waste collection service on the property tax bill for real property of any household or business receiving the service at the time the property tax bill is prepared. The annual service charge shall be assessed as follows:

- ***(a) The service charge shall be equal to the estimated cost of providing solid waste collection service for the property for the calendar year following the year for which the property is being taxed.***
- ***(b) If the person paying the estimated annual service charge does not receive solid waste collection service from the county or waste management district for an extended period of time due to absence from a household or business, then the county or waste management district shall refund the overpayment to the person paying the annual service charge or provide a credit for the following year.***
- ***(c) The county or waste management district shall present a certified list of service charges to the county clerk by July 1 of each year for placement on the property tax bills. The service charge shall be collected in the same manner and shall be subject to the same discounts, penalties, interest, liens, and add-on fees as county property taxes pursuant to KRS Chapters 132, 133, and 134. The county or waste management district may correct billing errors and shall have authority to waive the applicable penalties, interest, and fees where it is shown that a delinquent payment is due to reasonable cause.***

(5) A county or waste management district may reduce or waive the service charges authorized by subsection (2) of this section for low-income households.

(6) The service charges authorized in this section shall be adequate to cover the services required as part of solid waste collection service without any additional charges for specific services such as collection of appliances or similar large items.

Section 11. KRS 109.059 is amended to read as follows:

Any county or waste management district may require the use of any ***municipal*** solid waste management facility ***either owned by the county or district, or operated under a franchise agreement awarded by the county or district in which the operator is paid by the county or district***[~~or other facility~~], meeting the standards of the ***cabinet***[~~department~~] set by ***administrative*** regulations issued pursuant to KRS Chapter 224 by all persons situated within the geographical boundaries thereof; such mandatory use of ***the municipal either owned by the county or district, or operated under a franchise agreement awarded by the county or district in which the operator is paid by the county or district***[~~any~~] solid waste management facility shall not be applicable to any city within the geographical boundaries of any such county or waste management district provided that:

(1) ***As of the effective date of this Act,*** the city owns and operates a municipal solid waste management facility; and

(2)[~~The solid waste management facility is not a sanitary landfill; and~~

~~(3) The solid waste management facility was in existence prior to June 17, 1978; and~~

~~(4)~~] The solid waste management facility complies with the intent and purposes of KRS Chapters 109 and 224.

Section 12. KRS 109.300 is amended to read as follows:

(1) It is the purpose of KRS 109.310[~~ to 109.320~~] to further the intention of the General Assembly of the Commonwealth of Kentucky[~~ as expressed in KRS 109.011~~] that the primary responsibility for adequate ***municipal*** solid waste collection[~~, disposal and resource recovery~~] rests with counties ***or waste management districts***, and to assist ***them in carrying***[~~local governments to carry~~] out those responsibilities.

(2) The authority granted by KRS 109.310[~~ to 109.320~~] shall be construed as being in addition to other power already given to counties ***and waste management districts***. The purpose of this grant of authority shall be to increase the range of options from which counties ***and waste management districts*** may choose in order to meet local solid waste management needs.

(3) The county or waste management district, for the purpose of adequately financing the universal collection program required by Section 6 of this Act shall use all authority granted by law to collect all service charges owed for providing solid waste collection service.

Section 13. KRS 109.310 is amended to read as follows:

(1) A county or ***waste management district***[~~urban-county government~~] may collect solid waste ***collection service charges***[~~pick-up fees~~] which ***become***[~~are~~] delinquent ***after January 1, 2004, and which total six (6) months or more of service charges***[~~three (3) consecutive months or more~~] by combining the delinquent ***charges***[~~fees~~] with the property tax bill for the ***real*** property where the solid waste ***collection***[~~pick-up~~] is made. ***Delinquent charges to be collected by this combination may include service charges initially billed through the means specified in subsection (3) of this section and may include late payment charges normally assessed by the service provider up to the date the charge is submitted to the county clerk***[~~The fees shall be limited to a return on capital expenditures and to cover operational costs~~].

(2)[~~The pick-up fee when combined with the property tax bill shall be clearly set out as the delinquent amount owed for solid waste pick-up services and shall in no way be represented as an assessment based on the value of the property.~~

~~(3)~~] ***The service provider***[~~Sixty (60) days before a property tax bill which includes a delinquent solid waste pick up fee is mailed, the county office~~] responsible for solid waste ***collection***[~~pick-up~~] billing ***that intends to place a delinquent service charge on the property tax bill*** shall give written notice to the owner of the property ***by March 1*** that the[~~ pick-up~~] bill is delinquent and that, if left unpaid ***as of May 1***, the ***service charge***[~~fee~~] will be ***subject to the twenty percent (20%) penalty***

established by subsection (5) of this section and combined with the next property tax bill.

(3) The county or waste management district shall present a certified list of unpaid delinquencies to the county clerk by July 1 of each year for placement on the property tax bills. In counties with an ordinance requiring that all residents participate in curbside or end-of-driveway solid waste collection, delinquent charges to be collected may include late payment charges normally assessed by any entity providing solid waste collection service up to the date the delinquencies are submitted to the county clerk. Any service provider, serving a county with an ordinance requiring that all residents participate in curbside or end-of-driveway solid waste collection, with delinquencies of six (6) months or more may seek inclusion of those delinquencies on the property tax bills by sending to the county or waste management district by June 1 of each year a certified list of unpaid delinquencies and proof of the notification to the property owners required by subsection (2) of this section. The county or waste management district shall include the delinquencies certified by the service provider in its certification to the county clerk.

(4) The solid waste collection service charges when combined with the property tax bill shall be clearly set out as a delinquent amount owed for solid waste collection service and shall in no way be represented as an assessment based on the value of the property. The delinquent service charges shall be collected in the same manner and shall be subject to the same discounts, penalties, interest, liens, and add-on fees as county property taxes pursuant to KRS Chapters 132, 133, and 134. The county or waste management district may correct billing errors and shall have the authority to waive applicable penalties and interest where it is shown that a delinquent payment is due to reasonable cause.

(5) Any delinquent solid waste service charges that are placed on the property tax bill shall be increased by twenty percent (20%) and the increase shall be retained by the county or waste management district.

(6) Delinquent solid waste collection service charges collected as a part of property taxes shall be remitted to the county or waste management district by the person collecting the delinquent service charges, penalties, and interest. The county or waste management district shall disburse payment for the delinquent charges as soon as practicable, but no later than thirty (30) days after receipt, to the service provider responsible for the solid waste service billing.

(7)[~~(4)~~] A county or ***waste management district***[~~urban county government~~] may waive the solid waste ***collection service charge***[~~pick up fee~~] for businesses which request a waiver. The request for a waiver shall include a certification that the solid waste generated by the business is disposed of properly and include a description of the disposal method and the property owner's federal employer's identification number.

(8)[~~(5)~~] ***The owner of a leased property remains responsible for any delinquent solid waste service charges for the property***[~~If the owner of the property is not the occupant of the property where the solid waste is picked up, the county or urban-county government shall waive the delinquent solid waste pick-up fee portion of the property tax bill if the owner of the property requests a waiver. In requesting the waiver, the owner shall certify he is not the occupant of the property and that the occupant will be notified that failure of the occupant to pay the solid waste pick up fee will be considered a breach of the occupant's lease making the occupant subject to eviction~~].

Section 14. KRS 30A.190 is amended to read as follows:

All fees, fines, forfeitures, and costs in any District Court or Circuit Court case shall be collected and accounted for by the Circuit Court clerk and paid into the State Treasury, except that sixty percent (60%) of any fines imposed for the violation of KRS Chapter 150 or KRS Chapter 235 shall when collected be paid into the fish and game fund***, sixty percent (60%) of any fines imposed for the violation of KRS 433.753, KRS 433.757, or KRS 512.070 shall when collected be paid to the county in which the violation occurred, and forty percent (40%) of any fines imposed for the violation of KRS 433.753, KRS 433.757, or KRS 512.070 shall when collected be paid to the agency issuing the citation***.

Section 15. KRS 433.753 is amended to read as follows:

(1) When any paper, waste material, litter or other refuse is thrown or dropped from a motor vehicle, the operator thereof shall be deemed prima facie to be guilty of criminal littering.

(2) It shall be the duty of the Kentucky State Police, county sheriffs and police officers, ***solid waste coordinators, as established in subsection (12) of Section 7 and subsection (1) of Section 9 of this Act,*** city police officers, and all other law enforcement and peace officers within their respective jurisdictions, to enforce the criminal littering laws.

(3) Any city or county may offer and pay rewards for the giving of information leading to the arrest and conviction of any person, firm or corporation for commission of the offense of criminal littering.

(4) Violators may prepay to the circuit court clerk if prepayment is so noted on the citation and if the littering offense is not combined with an offense that is not prepayable.

Section 16. KRS 433.757 is amended to read as follows:

(1) When any litter as defined in KRS 512.010 is thrown or dropped from a motorboat or vessel as defined in KRS 235.010, the operator thereof shall be deemed prima facie to have violated KRS 512.070.

(2) It shall be the duty of officers of the Department of Fish and Wildlife Resources as provided in KRS 235.010 and KRS Chapter 150 and all other law enforcement and peace officers of the Commonwealth and its political subdivisions ***and solid waste coordinators*** to enforce the provisions of KRS 512.070.

(3) Any city or county may offer and pay rewards for the giving of information leading to the arrest and conviction of any

person, firm, or corporation for a violation of KRS 512.070.

(4) Violators may prepay to the circuit court clerk if prepayment is so noted on the citation and if the littering offense is not combined with an offense that is not prepayable.

Section 17. KRS 512.070 is amended to read as follows:

(1) A person is guilty of criminal littering when he:

(a) Drops or permits to drop on a highway any destructive or injurious material and does not immediately remove it; or

(b) Knowingly places or throws litter on any public or private property or in any public or private water without permission; or

(c) Negligently places or throws glass or other dangerous pointed or edged substances on or adjacent to water to which the public has access for swimming or wading or on or within fifty (50) feet of a public highway; or

(d) Discharges sewage, minerals, oil products or litter into any public waters or lakes within the state.

(2) Criminal littering is a Class A misdemeanor.

(3) Violators may prepay to the circuit court clerk if prepayment is so noted on the citation and if the littering offense is not combined with an offense that is not prepayable.

Section 18. KRS 109.0415 is amended to read as follows:

(1) As to any county for which an initial county or area solid waste management plan was not approved by the cabinet as of March 15, 1992, a county solid waste management plan submitted to the cabinet shall not become effective if fifty-one (51) percent of the registered voters eligible to vote in the last Presidential election sign and file a petition with the county clerk and the cabinet requesting submission of the plan to voter approval. The petition shall be filed within one hundred fifty (150) days of the fiscal court vote approving the plan.

(2) If the county clerk determines that the petition is in proper order, the clerk shall certify the petition to the fiscal court. The fiscal court shall direct that the question be placed before the voters at a special election held less than sixty (60) days from the certification of the petition. The fiscal court shall bear the costs of advertising and placing the question before the voters.

(3) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall instruct the voters to vote "yes" or "no" on acceptance of the solid waste management plan. The results of the vote shall be certified to the fiscal court of the county and the cabinet. The cabinet shall not approve a county solid waste management plan if at least sixty (60) percent of those voting vote "no."

(4) The provisions of this section shall not apply to any subsequent plan submitted by any county.

[~~(5) For the purposes of subsection (1) of this section, "initial" means the first part of the solid waste management plan described in KRS 224.43-345(2). For the purposes of subsection (4) of this section, "subsequent" means the second part of the plan described in KRS 224.43-345(2), or any amendments to the first part of the plan.~~]

Section 19. KRS 431.100 is amended to read as follows:

(1) Except as provided in this section, all fines and forfeitures imposed by law or ordinance shall inure to and vest in the Commonwealth.

(2) Fines and forfeitures imposed by law for violation of KRS 222.202 or ordinances relating to similar subject matter shall inure to and vest in the Commonwealth and shall be placed in a special fund in the State Treasury, which shall not lapse, and which, effective July 1, 1987, shall be used solely by the Cabinet for Health Services for the provision of treatment and counseling programs for alcoholics.

(3) ***Sixty percent (60%) of*** fines for violation of KRS 512.070 shall ***when collected,*** be transferred by the circuit clerk to the county treasurer for inclusion in the general fund of the county in which the offense occurs ***and forty percent (40%) shall be transferred to the agency that issued the citation***.

(4) Court costs assessed pursuant to KRS 610.360 shall be placed in a trust and agency account in the State Treasury which shall be subject to appropriation by the General Assembly for the purposes of providing services and programs and for matching funds for grants for providing services and programs to juvenile public offenders.

(5) The court shall not order a fine, forfeiture, service fee, cost, or any other money due the state or any other public officer paid to any person or organization other than one specifically required by statute nor shall a court suspend payment of a fine, forfeiture, service fee, cost, or any other money due the state if the defendant makes a payment to another person or organization.

Section 20. KRS 109.011 is amended to read as follows:

The General Assembly of the Commonwealth of Kentucky hereby finds, determines, and declares, as follows:

(1) That an ever-increasing volume of solid waste both within and outside the Commonwealth is being generated as a result of increasing economic and commercial activity, continuing technological progress, and changes in methods of manufacturing, packaging, and marketing of consumer products, which results in additional solid wastes discarded by the users of these products;

(2) That the continued economic and population growth of the Commonwealth has required increased industrial and commercial expansion and has made necessary the demolition of obsolete structures, the construction of new structures, the provision of highways and other avenues of transportation, and the construction and installation of public works which, together with pre-existing commercial, industrial, and agricultural operations, have resulted in the generation of further volumes of solid waste;

(3) That the handling of solid wastes has been primarily carried out through the dumping of wastes on open soil and in landfills, which in some cases are inimical to the public health, safety, and welfare;

(4) That by the enactment by the Congress of the United States of the Resource Conservation and Recovery Act of 1976 (Public Law 94-580), as amended, the collection, sanitary disposal, and recovery of solid waste has been determined to be a matter of nationwide importance, recognizing that the management of solid waste should continue to be primarily the function of state, regional, and local agencies; and that pursuant to this federal law, the Commonwealth has taken and will take certain actions in respect to the planning and implementation of solid waste plans within the guidelines of time requirements set forth in this federal law;

(5) That as a result of the conditions described in the foregoing findings, problems of solid waste collection, management, and treatment, and resource recovery activities in connection therewith have become a matter of statewide concern necessitating action by the General Assembly to:

(a) Enable responsible planning and management agencies to be created to define solid waste management requirements, with all of the foregoing subject to regulation by the Natural Resources and Environmental Protection Cabinet;

(b) Assist those units of government primarily responsible for the management of solid waste and the acquisition, financing and operation of facilities to dispose of solid waste to fulfill their functions in a responsible and proper manner with primary emphasis on the regionalization of these functions; and

(c) Reduce the amount of solid waste generated and disposed in Kentucky;

(6) That it is the intent of the General Assembly of the Commonwealth of Kentucky that the primary responsibility for adequate solid waste collection, management, treatment, disposal, and resource recovery shall rest with combinations of counties and waste management districts, subject to standards set by administrative regulations adopted by the Natural Resources and Environmental Protection Cabinet. In those cities currently operating solid waste management systems, the city and county may assume joint responsibility of preparing a solid waste management plan. If it is in the best public interest to do so and with the mutual agreement of both the county and city, a county may delegate responsibility for adequate collection, management, treatment, disposal, or materials recovery to a city. This delegation of responsibility is contingent upon the approval of a solid waste management plan by the cabinet. The purpose of delegating responsibilities shall be to effectuate the safe and sanitary management, use, and handling of solid waste, the protection of the health, welfare, and safety of the citizens and inhabitants of the Commonwealth, and for making the most efficient use of all resources for the benefit of the citizens and inhabitants of the Commonwealth;

(7) That the General Assembly recognizes the generation of solid waste is inevitable, but much of it is unnecessary and should be discouraged. However, where solid waste does exist, it should be considered to the extent possible as a valuable resource, and be made use of wherever and whenever desirable and economically justifiable. Therefore, it shall be the policy of the Commonwealth to, above all things, encourage resource conservation and preservation of our natural resources before waste contributes in a needless fashion to the volumes of solid waste and litter produced by our society; but in dealing with existing solid waste, materials recovery from the solid waste stream is deemed to be the most environmentally sound alternative for handling waste;

(8) It is not the intent of this chapter to prohibit or discourage the participation of the private sector in any aspect of solid waste management. Moreover, it is preferable for solid waste management functions to be performed by the private sector when it is in the best interests of the public and conforms with the policies and provisions in this chapter;

(9) It is the intent of the General Assembly that counties and waste management districts cooperate to develop and implement the solid waste management plans mandated by KRS Chapter 224 and the administrative regulations adopted by the cabinet with the goal of regionalizing the management of solid waste;

(10) It is the intent of the General Assembly that waste requiring disposal in municipal solid waste disposal facilities be reduced and that solid waste be managed in an environmentally protective manner;

(11) Notwithstanding any provision of KRS Chapters 82, 83, and 94, it is the intent of the General Assembly that this chapter and KRS 67.083(3)(o) provide counties with authority to develop a solid waste management system for solid waste generated within the geographical boundaries of the county, consistent with the provisions of this chapter and KRS Chapter 224. It is further the intent of the General Assembly that cities be authorized to finance, own, and operate solid waste management systems with the consent of the county or by contract with the county, except that in the event a county fails to submit a solid waste management plan pursuant to KRS Chapter 224 cities may proceed to develop solid waste management systems consistent with administrative regulations adopted by the cabinet pursuant to KRS Chapter 224. Cities that develop solid waste management facilities pursuant to this section shall have all the powers and restrictions set forth for counties in KRS 109.041, 109.056, ***and*** 109.059[~~, and 109.062~~]; and

(12) It is the intent of the General Assembly that waste management districts which are formed and operated under this chapter shall comply with the standards set by administrative regulations adopted by the cabinet pursuant to KRS Chapter 224.

Section 21. KRS 109.041 is amended to read as follows:

(1) In addition to all other powers enumerated in Chapter 67 and other sections of the Kentucky Revised Statutes, counties, acting by and through their fiscal courts, may own and hold the permit for, plan, initiate, acquire, construct, and maintain solid waste management facilities, enter into contracts or leases with private parties for the design, construction, or operation of a publicly-owned solid waste management facility, and adopt administrative regulations with respect thereto in accordance with this chapter. It is hereby determined and declared that in the implementation, acquisition, financing, and maintenance of solid waste management facilities, and in the enforcement of their use, counties will be performing state functions duly delegated to them for the public welfare. In such regard, the right of counties to condemn land necessary for the acquisition of solid waste management facilities pursuant to the Eminent Domain Act of Kentucky and to exercise the police power in respect thereto is confirmed. Any county may contract with third parties for the management by public or private means of solid waste within the county.

(2) No solid waste management facility shall be acquired and constructed until the construction thereof has been approved in writing by the cabinet. Planning for a solid waste management facility shall be conducted in accordance with the policy set forth in KRS 109.011(7) and KRS Chapter 224.

(3) ~~[Except as provided in KRS 109.062,]~~No county or waste management district shall prohibit or otherwise restrict materials recovery by:

(a) Any materials recovery operation in existence in the county or district on the effective date of the mandatory program;

(b) Any person supplying material to materials recovery operations on the effective date of the mandatory program;

(c) Any new materials recovery operation that reclaims the same type of materials as materials recovery operations included in paragraph (a) of this subsection;

(d) Any new suppliers to materials recovery operations included in paragraphs (a) and (c) of this subsection;

(e) Any materials recovery operation for glass, plastic, or metal beverage containers, unless a commitment has been made by a local government or other political subdivision of the state, by ordinance or contract, to a solid waste project consistent with the provisions of this chapter, that is dependent upon the materials recovery of glass, plastic, or metal beverage containers to meet its financial obligations for said project, and such commitment has been made prior to the operation of any other such materials recovery facility in the county or district; or

(f) Any other materials recovery operation within the county or district not included in paragraphs (a) through (e) of this subsection or the supply of materials to such operation unless it is established that such operation would jeopardize the ability of a local government or other political subdivision of the state to meet financial obligations incurred in the maintenance, operation, or amortization of capital acquisition costs for a solid waste management facility.

(4) Notwithstanding any other provision of the Kentucky Revised Statutes to the contrary, no county or waste management district shall regulate special wastes as defined in KRS 224.50-760, other than sludge from water and waste water treatment facilities as it pertains to landfarming, or solid waste from agricultural or mining operations.

(5) Any county undertaking the planning, implementation, construction, installation, acquisition, and financing of a solid waste management facility pursuant to this chapter shall have the authority set forth in Chapter 58 of the Kentucky Revised Statutes concerning the financing of such solid waste management facility, including the authority to promulgate, enforce, and collect reasonable rates, rentals, and charges for the use of such solid waste management facility.

(6) Bonds authorized to be issued by any county pursuant to the authority of this chapter for the financing of solid waste management facilities may be sold at either private or public sale as may in the sound discretion of the county be in the best interests of the county.

(7) Any county undertaking solid waste management pursuant to the provisions of this chapter may contract with any person for the provision of solid waste management services. A county may contract with any city to provide solid waste management services or may delegate the responsibility for solid waste management within incorporated areas to a city when the city agrees to assume such responsibility. In connection with solid waste management, any county may enter into contracts with any person for any term of years.

(8) Counties are authorized to charge a reasonable fee to transporters for the handling of their waste at a solid waste management facility approved by the cabinet.

(9) Counties are authorized to sell or market materials and energy recovered from solid waste and to enter into long-term contracts guaranteeing supply to insure markets for the sale of recovered products.

(10) In carrying out the provisions of this chapter, counties shall be subject to standards set by regulations adopted by the cabinet on waste management pursuant to KRS Chapter 224.

(11) No county or waste management district shall prohibit long-term contracts by ordinance or other means.

(12) Counties are expressly authorized in addition to the powers enumerated in KRS Chapter 65 and this chapter to contract

with one another in order to regionalize solid waste management to the maximum extent practicable.

(13) Notwithstanding any other provision of law, a fiscal court may, by ordinance, create a solid waste district to exercise the powers of the county pursuant to this chapter, except that a district created for this purpose shall not levy or collect ad valorem property taxes.

Section 22. KRS 224A.011 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Administrative fee" means a fee assessed and collected by the authority from borrowers under assistance agreements, to be used for operational expenses of the authority.

(2) "Applicable interest rate" means the rate of interest which shall be used as part of the repayment criteria for an assistance agreement between a governmental agency and the authority, and shall be determined by the authority pertinent to the source of funds from which the assistance agreement is funded.

(3) "Assistance agreement" means the agreement to be made and entered into by and between a governmental agency and the authority, as authorized by this chapter, providing for a lease, loan, services, or grant to the governmental agency or for the purchase of obligations issued by the governmental agency, and for the repayment thereof to the authority by the governmental agency.

(4) "Authority" means the Kentucky Infrastructure Authority, which is created by this chapter.

(5) "Authority revenues" means the totality of all:

(a) Service charges;

(b) Utility tax receipts, to the extent not otherwise committed and budgeted by the authority during any fiscal period of the authority;

(c) Any gifts, grants, or loans received, to the extent not otherwise required to be applied;

(d) Any and all appropriations made to the authority by the General Assembly of the Commonwealth of Kentucky, to the extent not otherwise required to be applied;

(e) All moneys received in repayment of and for interest on any loans made by the authority to a governmental agency, except as provided in KRS 224A.111, 224A.1115, ***and*** 224A.112,~~[and 224A.270,]~~ or as principal of and interest on any obligations issued by a governmental agency and purchased by the authority, or as receipts under any assistance agreement;

(f) The proceeds of bonds or long-term debt obligations of governmental agencies pledged to the payment of bond anticipation notes issued by the authority on behalf of the said governmental agency to provide interim construction financing; and

(g) Payments under agreements with any agencies of the state and federal government.

(6) "Borrower or borrowing entity" means any agency of the state or its political subdivisions, any city, or any special district created under the laws of the state acting individually or jointly under interagency or interlocal cooperative agreements to enter into assistance agreements with the authority.

(7) "Community flood damage abatement project" means any structural or nonstructural study, plan, design, construction, development, improvement, or other activity to provide for flood control.

(8) "Construction" means and includes, but is not limited to:

(a) Preliminary planning to determine the economic and engineering feasibility of infrastructure projects, the engineering, architectural, legal, fiscal, and economic investigations, and studies necessary thereto, and surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the construction of infrastructure or solid waste projects;

(b) The erection, building, acquisition, alteration, remodeling, improvement, or extension of infrastructure or solid waste projects; and

(c) The inspection and supervision of the construction of infrastructure or solid waste projects and all costs incidental to the acquisition and financing of same. This term shall also relate to and mean any other physical devices or appurtenances in connection with, or reasonably attendant to, infrastructure or solid waste projects.

(9) "Dams" means any artificial barrier, including appurtenant works, which does or can impound or divert water, and which either:

(a) Is or will be twenty-five (25) feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, as determined by the natural resources cabinet; or

(b) Has or will have an impounding capacity at maximum water storage elevation of fifty (50) acre feet or more.

(10) "Distribution facilities" means all or any part of any facilities, devices, and systems used and useful in obtaining, pumping, storing, treating, and distributing water for agricultural, industrial, commercial, recreational, public, and domestic use.

(11) "Federal act" means the Federal Clean Water Act (33 U.S.C. secs. 1251 et seq.) as said federal act may be amended from time to time in the future, or any other enactment of the United States Congress providing funds that may assist in carrying

out the purposes of the authority.

(12) "Federally assisted wastewater revolving fund" means that fund which will receive federal and state funds or the proceeds from the sale of revenue bonds of the authority for the purpose of providing loans to finance construction of publicly owned treatment works as defined in Section 212 of the federal act and for the implementation of a management program established under Section 319 of the federal act and for the development and implementation of a conservation and management plan under Section 320 of the federal act.

(13) "Governmental agency" means any incorporated city or municipal corporation, or other agency, or unit of government within or a department or a cabinet of the Commonwealth of Kentucky, now having or hereafter granted, the authority and power to finance, acquire, construct, or operate infrastructure or solid waste projects. This definition shall specifically apply, but not by way of limitation, to incorporated cities; counties, including any counties containing a metropolitan sewer district; sanitation districts; water districts; water associations if these associations are permitted to issue interest-bearing obligations which interest would be excludable from gross income under Section 103 of the Internal Revenue Code of 1986 as amended; sewer construction districts; metropolitan sewer districts; sanitation taxing districts; and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another in accordance with any regional or area compact, or intergovernmental cooperative agreements), now or hereafter established in accordance with the laws of the Commonwealth of Kentucky having and possessing the described powers described in this subsection.

(14) "Industrial waste" means any liquid, gaseous, or solid waste substances resulting from any process of industry, manufacture, trade, or business, or from the mining or taking, development, processing, or recovery of any natural resources, including heat and radioactivity, together with any sewage as is present therein, which pollutes the waters of the state, and specifically, but not by way of limitation, means heat or thermal differentials created in the waters of the state by any industrial processing, generating, or manufacturing processes.

(15) "Infrastructure project" means any construction or acquisition of treatment works, distribution facilities, or water resources projects instituted by a governmental agency or an investor-owned water utility which is approved by the authority and, if required, by the natural resources cabinet, Public Service Commission, or other agency; solid waste projects; dams; storm water control and treatment systems; gas or electric utility; or any other public utility or public service project which the authority finds would assist in carrying out the purposes set out in KRS 224A.300.

(16) "Infrastructure revolving fund" means that fund which will receive state funds, the proceeds from the sale of revenue bonds of the authority or other moneys earmarked for that fund for the purpose of providing loans or grants to finance construction or acquisition of infrastructure projects as defined in this section.

(17) "Loan or grant" means moneys to be made available to governmental agencies by the authority for the purpose of defraying all or any part of the total costs incidental to construction or acquisition of any infrastructure project.

(18) "Market interest rate" means the interest rate determined by the authority under existing market conditions at the time the authority shall provide financial assistance to a governmental agency.

(19) "Natural resources cabinet" means the Kentucky Natural Resources and Environmental Protection Cabinet, or its successor, said term being meant to relate specifically to the state agency which is designated as the water pollution agency for the Commonwealth of Kentucky, for purposes of the federal act.

(20) "Obligation of a governmental agency" means a revenue bond, bond anticipation note, revenue anticipation note, lease, or other obligation issued by a governmental agency under KRS 58.010 et seq. or other applicable statutes.

(21) "Person" means any individual, firm, partnership, association, corporation, or governmental agency.

(22) "Pollution" means the placing of any noxious or deleterious substances ("pollutants"), including sewage and industrial wastes, in any waters of the state or affecting the properties of any waters of the state in a manner which renders the waters harmful or inimical to the public health or to animal or aquatic life, or to the use, present or future, of these waters for domestic water supply, industrial or agricultural purposes, or recreational purposes.

(23) "Prioritization schedules" means the list of wastewater treatment works, distribution facilities and water resources projects which the natural resources cabinet has evaluated and determined to be of priority for receiving financial assistance from the federally assisted wastewater revolving fund and the federally assisted drinking water revolving fund, or the list of infrastructure projects which the authority has evaluated and determined to be of priority for receiving financial aid from the infrastructure revolving fund. The evaluation by the authority of infrastructure projects for water systems shall be undertaken with input from the appropriate area development district.

(24) "Solid waste project" means construction, renovation, or acquisition of a solid waste facility which shall be instituted and owned by a governmental agency.

(25) "Recovered material" means those materials which have known current use, reuse, or recycling potential, which can be feasibly used, reused, or recycled, and which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not requiring subsequent separation and processing but does not include materials diverted or removed for purposes of energy recovery or combustion except refuse-derived fuel (RDF), which shall be credited as a recovered material in an amount equal to that percentage of the municipal solid waste received on a daily basis at the processing facility and processed into RDF; but not to exceed fifteen percent (15%) of the total amount of the municipal

solid waste received at the processing facility on a daily basis.

(26) "Recovered material processing facility" means a facility engaged solely in the storage, processing, and resale or reuse of recovered material but does not mean a solid waste facility if solid waste generated by a recovered material processing facility is managed in accordance with KRS Chapter 224 and administrative regulations adopted by the cabinet.

(27) "Revenue bonds" means special obligation bonds issued by the authority as provided by the provisions of this chapter, which are not direct or general obligations of the state, and which are payable only from a pledge of, and lien upon, authority revenues as provided in the resolution authorizing the issuance of the bonds, and shall include revenue bond anticipation notes.

(28) "Service charge" means any monthly, quarterly, semiannual, or annual charge to be imposed by a governmental agency, or by the authority, for any infrastructure project financed by the authority, which service charge arises by reason of the existence of, and requirements of, any assistance agreement.

(29) "Sewage" means any of the waste products or excrements, or other discharges from the bodies of human beings or animals, which pollute the waters of the state.

(30) "Solid waste" means "solid waste" as defined by KRS 224.01-010(31)(a).

(31) "Solid waste facility" means any facility for collection, handling, storage, transportation, transfer, processing, treatment, or disposal of solid waste, whether the facility is associated with facilities generating the waste or otherwise, but does not include a container located on property where the waste is generated and which is used solely for the purpose of collection and temporary storage of that solid waste prior to off-site disposal, or a recovered material processing facility.

(32) "Solid waste revolving fund" means that fund which shall receive state funds, the proceeds from the sale of revenue bonds of the authority, or other moneys earmarked for the purpose of providing loans or grants to finance solid waste projects defined in this section.

(33) "State" means the Commonwealth of Kentucky.

(34) "System" means the system owned and operated by a governmental agency with respect to solid waste projects, treatment works, or infrastructure projects financed as provided by the assistance agreement between the governmental agency and the authority.

(35) "Treatment works" or "wastewater treatment works" means all or any part of any facilities, devices, and systems used and useful in the storage, treatment, recycling, and reclamation of wastewater or the abatement of pollution, including facilities for the treatment, neutralization, disposal of, stabilization, collecting, segregating, or holding of wastewater, including without limiting the generality of the foregoing, intercepting sewers, outfall sewers, pumping power stations, and other equipment and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof, and any wastewater treatment works, including site acquisition of the land that will be an integral part of the wastewater treatment process, or is used for ultimate disposal of residues resulting from wastewater treatment, together with any other facilities which are deemed to be treatment works in accordance with the federal act.

(36) "Variable rate revenue bonds" means revenue bonds the rate of interest on which fluctuates either automatically by reference to a predetermined formula or index or in accordance with the standards set forth in KRS 224A.120.

(37) "Wastewater" means any water or liquid substance containing sewage, industrial waste, or other pollutants or contaminants derived from the prior use of these waters.

(38) "Water resources" means all waters of the state occurring on the surface, in natural or artificial channels, lakes, reservoirs, or impoundments, and in subsurface aquifers, which are available, or which may be made available to agricultural, industrial, commercial, recreational, public, and domestic users.

(39) "Water resources project" means any structural or nonstructural study, plan, design, construction, development, improvement, or any other activity including programs for management, intended to conserve and develop the water resources of the state and shall include all aspects of water supply, flood damage abatement, navigation, water-related recreation, and land conservation facilities and measures.

(40) "Waters of the state" means all streams, lakes, watercourses, waterways, ponds, marshes, wells, springs, irrigation systems, drainage systems, and all other bodies or accumulations of water, surface and underground, natural or artificial, which are situated wholly or partly within, or border upon, this state, or are within its jurisdiction, except those private waters which do not combine or effect a junction with natural, surface, or underground waters.

(41) "Utility tax" means the tax which may be imposed by the authority on every purchase of water or sewer service in the Commonwealth of Kentucky.

Section 23. KRS 224A.100 is amended to read as follows:

The authority may enter into assistance agreements with governmental agencies, and governmental agencies may enter into assistance agreements with the authority in connection with infrastructure projects. Each assistance agreement shall be subject to review by the Capital Projects and Bond Oversight Committee of the Legislative Research Commission and may contain and include such provisions as may be agreed upon by the parties thereto, and shall include and prescribe the following provisions:

(1) An estimate of the reasonable cost of the infrastructure project, as determined by the authority;

(2) The amount of the total rentals under any lease of an infrastructure project, loans or grants to be made to the governmental agency, financing payments, or obligations of the governmental agency to be purchased by the authority;

(3) The time or times at which the rentals, loans or grants, financing payments or the purchase price of a governmental agency shall become payable by or to the governmental agency;

(4) The specific purpose or purposes for which the leased infrastructure project will be used or the proceeds of the purchase of obligations of the governmental agency or loan or grant made pursuant to the assistance agreement shall be expended;

(5) The conditions under which the leased infrastructure project will be used or the proceeds of the purchase of obligations of the governmental agency or loan or grant may be expended on account of the infrastructure project by the governmental agency;

(6) An agreement by the governmental agency:

(a) To proceed expeditiously with and promptly complete the infrastructure project or cause same to be completed in accordance with plans and specifications approved by federal and state regulatory agencies;

(b) To commence or cause to be commenced operation of the infrastructure project on completion of construction, and not to discontinue operations or dispose of such infrastructure project without the approval of the authority;

(c) To operate and maintain or cause to be operated and maintained the infrastructure project in accordance with the applicable provisions of federal and state law;

(d) To disclose fully to the authority all applications for or award of grants or loans for financial assistance, if any;

(e) To provide for the payment of the governmental agency's share of the cost of the infrastructure project, if the entire infrastructure project is not financed by assistance from the authority and describe with specificity the manner in which the governmental agency proposes to finance its share of such cost, if any;

(7) A provision that, if assistance which was not included in the calculation of the loan or grant payable pursuant to subsection (2) of this section becomes available to the governmental agency, the amount of the assistance from the authority shall be recalculated with the inclusion of the additional assistance, and the governmental agency shall pay to the authority the amount, if any, by which the loan or grant actually made, exceeds the loan or grant as determined by the recalculation;

(8) The extent to which the assistance from the authority shall be repaid to the authority, which shall not be less than the sum of the following, except as provided under KRS 224A.111, 224A.112,~~[224A.270,]~~ and KRS 224A.1115:

(a) The aggregate principal amount of the loan; and

(b) Interest on the aggregate balance of the principal amount of the loan from time to time remaining unpaid, computed at the applicable interest rate, plus not to exceed one-quarter of one percent (0.25%), except as provided for in KRS 224A.111, 224A.112,~~[224A.270,]~~ and KRS 224A.1115;

(9) The time or times and amounts when the repayments required by subsection (8) of this section shall be made by the governmental agency to the authority;

(10) The extent to which a service charge shall be imposed by the governmental agency. Any service charge shall be calculated to produce amounts sufficient to meet the repayment schedule prescribed by subsection (8) of this section; and

(11) An agreement between the governmental agency and the authority that upon any failure of the governmental agency to make payment to the authority in accordance with the time schedule and repayment schedule fixed by the assistance agreement of the amounts prescribed by said schedules, that in such event the authority may, without further action, require the State Treasurer to pay to the authority such amount of other state revenues, tax sharing, or other state aid, with the exception of funds in aid to education and funds derived from motor fuel taxes or vehicle license taxes pursuant to Section 230 of the Constitution of Kentucky, as the governmental agency may thereafter become entitled to receive from the state, until all delinquent payments pursuant to the repayment schedule, plus interest thereon, from the date of each delinquency at the applicable interest rate per annum, shall have been paid.

Section 24. The following KRS sections are repealed:

109.062 Use of collection system.

109.320 Exemption from pick-up fee.

224A.270 Solid waste revolving fund -- Uses.

224A.280 Solid waste grant program.

224A.290 Short title.

HB 280, AN ACT relating to income tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Secretary" means the secretary of revenue;

(2) "Cabinet" means the Revenue Cabinet;

(3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, 1999, exclusive of any amendments made subsequent to that date, other than amendments that extend provisions in effect on December 31, 1999, that would otherwise terminate, and as modified by KRS 141.0101;

(4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;

(5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;

(6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(7) "Individual" means a natural person;

(8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in Section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;

(9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in Section 61 of the Internal Revenue Code;

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by Section 62 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States and Kentucky;

(b) Exclude income from supplemental annuities provided by the Railroad Retirement Act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude employee pension contributions picked up as provided for in KRS 6.505, 16.545, 21.360, 61.560, 65.155, 67A.320, 67A.510, 78.610, and 161.540 upon a ruling by the Internal Revenue Service or the federal courts that these contributions shall not be included as gross income until such time as the contributions are distributed or made available to the employee;

(e) Exclude Social Security and railroad retirement benefits subject to federal income tax;

(f) Include, for taxable years ending before January 1, 1991, all overpayments of federal income tax refunded or credited for taxable years;

(g) Deduct, for taxable years ending before January 1, 1991, federal income tax paid for taxable years ending before January 1, 1990;

(h) Exclude any money received because of a settlement or judgment in a lawsuit brought against a manufacturer or distributor of "Agent Orange" for damages resulting from exposure to Agent Orange by a member or veteran of the Armed Forces of the United States or any dependent of such person who served in Vietnam;

(i) 1. Exclude the applicable amount of total distributions from pension plans, annuity contracts, profit-sharing plans, retirement plans, or employee savings plans.

2. The "applicable amount" shall be:

a. Twenty-five percent (25%), but not more than six thousand two hundred fifty dollars ($6,250), for taxable years beginning after December 31, 1994, and before January 1, 1996;

b. Fifty percent (50%), but not more than twelve thousand five hundred dollars ($12,500), for taxable years beginning after December 31, 1995, and before January 1, 1997;

c. Seventy-five percent (75%), but not more than eighteen thousand seven hundred fifty dollars ($18,750), for taxable years beginning after December 31, 1996, and before January 1, 1998; and

d. One hundred percent (100%), but not more than thirty-five thousand dollars ($35,000), for taxable years beginning after December 31, 1997.

3. As used in this paragraph:

a. "Distributions" includes, but is not limited to, any lump-sum distribution from pension or profit-sharing plans qualifying for the income tax averaging provisions of Section 402 of the Internal Revenue Code; any distribution from an individual retirement account as defined in Section 408 of the Internal Revenue Code; and any disability pension distribution;

b. "Annuity contract" has the same meaning as set forth in Section 1035 of the Internal Revenue Code; and

c. "Pension plans, profit-sharing plans, retirement plans, or employee savings plans" means any trust or other entity created or organized under a written retirement plan and forming part of a stock bonus, pension, or profit-sharing plan of a public or private employer for the exclusive benefit of employees or their beneficiaries and includes plans qualified or unqualified under Section 401 of the Internal Revenue Code and individual retirement accounts as defined in Section 408 of the Internal Revenue Code;

(j) 1. a. Exclude the distributive share of a shareholder's net income from an S corporation subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300; and

b. Exclude the portion of the distributive share of a shareholder's net income from an S corporation related to a qualified subchapter S subsidiary subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300.

2. The shareholder's basis of stock held in a S corporation where the S corporation or its qualified subchapter S subsidiary is subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300 shall be the same as the basis for federal income tax purposes;

(k) Exclude for taxable years beginning after December 31, 1998, to the extent not already excluded from gross income, any amounts paid for health insurance***, or the value of any voucher or similar instrument used to provide health insurance,*** which constitutes medical care coverage for the taxpayer, the taxpayer's spouse, and dependents during the taxable year. Any amounts paid by the taxpayer for health insurance that are excluded pursuant to this paragraph shall not be allowed as a deduction in computing the taxpayer's net income under subsection (11) of this section;

(l) Exclude income received for services performed as a precinct worker for election training or for working at election booths in state, county, and local primary, regular, or special elections;

(m) Exclude any amount paid during the taxable year for insurance for long-term care as defined in KRS 304.14-600;

(n) Exclude any capital gains income attributable to property taken by eminent domain;

(o) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;

(p) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and

(q) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;

(11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section, minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus the deduction allowed by KRS 141.0202***, minus any amount paid for vouchers or similar instruments that provide health insurance coverage to employees or their families,*** and minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code as modified by KRS 141.0101 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;

(b) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(1)(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(1)(h);

(c) The deduction for personal exemptions allowed under Section 151 of the Internal Revenue Code and any other deductions in lieu thereof; and

(d) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;

(12) "Gross income," in the case of corporations, means "gross income" as defined in Section 61 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States;

(b) Exclude all dividend income received after December 31, 1969;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by Section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

(e) Include in the gross income of lessors income tax payments made by lessees to lessors, under the provisions of Section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;

(f) Include the amount calculated under KRS 141.205;

(g) Ignore the provisions of Section 281 of the Internal Revenue Code in computing gross income;

(h) Exclude income from "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code);

(i) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;

(j) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and

(k) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;

(13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus the deduction allowed by KRS 141.0202***, minus any amount paid for vouchers or similar instruments that provide health insurance coverage to employees or their families,*** and minus all the deductions from gross income allowed corporations by Chapter 1 of the Internal Revenue Code and as modified by KRS 141.0101, except the following:

(a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;

(b) The deductions contained in Sections 243, 244, 245, and 247 of the Internal Revenue Code;

(c) The provisions of Section 281 of the Internal Revenue Code shall be ignored in computing net income;

(d) Any deduction directly or indirectly allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once;

(e) Exclude expenses related to "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code); and

(f) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;

(14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section;

(b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120;

(c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one (1) or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;

(d) "Taxable net income" in the case of homeowners' associations as defined in Section 528(c) of the Internal Revenue Code, means "taxable income" as defined in Section 528(d) of the Internal Revenue Code. Notwithstanding the provisions of subsection (3) of this section, the Internal Revenue Code sections referred to in this paragraph shall be those code sections in effect for the applicable tax year; and

(e) "Taxable net income" in the case of a corporation that meets the requirements established under Section 856 of the Internal Revenue Code to be a real estate investment trust, means "real estate investment trust taxable income" as defined in Section 857(b)(2) of the Internal Revenue Code;

(15) "Person" means "person" as defined in Section 7701(a)(1) of the Internal Revenue Code;

(16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net

income is computed, and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the secretary, "taxable year" means the period for which such return is made;

(17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than one hundred eighty-three (183) days of the taxable year in this state;

(18) "Nonresident" means any individual not a resident of this state;

(19) "Employer" means "employer" as defined in Section 3401(d) of the Internal Revenue Code;

(20) "Employee" means "employee" as defined in Section 3401(c) of the Internal Revenue Code;

(21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;

(22) "Wages" means "wages" as defined in Section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), (q), and (s) of the Internal Revenue Code;

(23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;

(24) "Corporations" means "corporations" as defined in Section 7701(a)(3) of the Internal Revenue Code;

(25) "S corporations" means "S corporations" as defined in Section 1361(a) of the Internal Revenue Code. Stockholders of a corporation qualifying as an "S corporation" under this chapter may elect to treat such qualification as an initial qualification under Subchapter S of the Internal Revenue Code Sections.

Section 2. This Act shall apply for taxable years beginning after December 31, 2001.

SB 54, AN ACT relating to approval of a capital project, appropriating funds therefor, and declaring an emergency.

WHEREAS, KRS 45.763 requires that an institution of higher education shall obtain authorization from the General Assembly prior to entering into an agreement for the use, purchase, or acceptance of real property of any value, or equipment with a value in excess of four hundred thousand dollars ($400,000), if the institution of higher education will become the owner of the real property or equipment at any time and all or any portion of the purchase price of the real property or equipment is funded through the issuance of a financial instrument which requires payment of principal and interest, regardless of the identity of the issuer; and

WHEREAS, Western Kentucky University intends to enter in a memorandum of agreement with the City of Bowling Green to make improvements on state-owned property to be financed through the issuance by the City of Bowling Green of general obligation bonds for the public project, consisting of the renovation of E. A. Diddle Arena and related facilities at Western Kentucky University, consistent with KRS Chapter 58 and KRS 66.011 and without exposure of liability to the Commonwealth of Kentucky; and

WHEREAS, Western Kentucky University will seek authorization for the use of student athletic fees as contemplated by the memorandum of agreement. Student athletic fees shall consist of those fees assessed and collected from Western Kentucky University students and dedicated to Western Kentucky University athletics; and

WHEREAS, the renovation of state-owned property will promote recreational, economic, and cultural opportunities for the general public in Bowling Green and the region as well as the students of Western Kentucky University;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly approves, authorizes, and appropriates thirty-two million five hundred thousand dollars ($32,500,000) in other funds in fiscal year 2001-2002 for the renovation of Diddle Arena and related athletic facilities at Western Kentucky University, provided:

(1) That Western Kentucky University submit the proposed memorandum of agreement with the City of Bowling Green to the Council on Postsecondary Education, the Finance and Administration Cabinet, and to the Capital Projects and Bond Oversight Committee for their respective review and approval to ensure consistency with appropriate state fiscal and legal interests and procedures prior to the execution of the memorandum of agreement; and

(2) That Western Kentucky University submit quarterly progress reports to the Council on Postsecondary Education, the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

Section 2. Western Kentucky University is authorized to use student athletic fees as contemplated by the memorandum of agreement.

Section 3. Whereas it is imperative that the commencement of this capital project begin in fiscal year 2001-2002, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

The Committee on Labor and Industry reported **HB 466, HB 488, HCR 70, HCR 71,** and **HCR 72** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 466, AN ACT relating to unsolicited communications.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 3 of this Act:

(1) "Electronic mail service provider" means any business or organization qualified to do business in this Commonwealth that provides individuals, corporations, or other entities with the ability to send or receive electronic mail through equipment located in this Commonwealth and that is an intermediary in sending or receiving electronic mail;

(2) "Unsolicited faxed or e-mailed documents" means any faxed or e-mailed document or documents consisting of advertising material for the lease, sale, rental, gift offer, or other disposition of any realty, goods, services, or extension of credit that meet both of the following requirements:

(a) The documents are addressed to a recipient with whom the initiator does not have a prior or existing business or personal relationship; and

(b) The documents are not sent at the request of, or with the express consent of, the recipient; and

(3) "Fax" or "cause to be faxed" or "e-mail" or "cause to be e-mailed" does not include or refer to the transmission of any documents by a telecommunications utility or Internet service provider to the extent that the telecommunications utility or Internet service provider merely carries that transmission over its network.

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) No person conducting business in this Commonwealth shall facsimile ("fax") or cause to be faxed, or electronically mail ("e-mail") or cause to be e-mailed, documents consisting of unsolicited advertising material for the lease, sale, rental, gift offer, or other disposition of any realty, goods, services, or extension of credit unless:

(a) In the case of a fax, that person establishes a toll-free telephone number that a recipient of the unsolicited faxed documents may call to notify the sender not to fax the recipient any further unsolicited documents; or

(b) In the case of e-mail, that person establishes a toll-free telephone number or valid sender-operated return e-mail address that the recipient of the unsolicited documents may call or e-mail to notify the sender not to e-mail any further unsolicited documents.

(2) All unsolicited faxed or e-mailed documents subject to this section shall include a statement informing the recipient of the toll-free telephone number that the recipient may call, or a valid return address to which the recipient may write or e-mail, as the case may be, notifying the sender not to fax or e-mail the recipient any further unsolicited documents to the fax number, or numbers, or e-mail address, or addresses, specified by the recipient. In the case of faxed material, the statement shall be in at least nine-point type. In the case of e-mail, the statement shall be the first text in the body of the message and shall be of the same size as the majority of the text of the message.

(3) Upon notification by a recipient of his or her request not to receive any further unsolicited faxed or e-mailed documents, no person or entity conducting business in this Commonwealth shall fax or cause to be faxed or e-mail or cause to be e-mailed any unsolicited documents to that recipient.

(4) In the case of e-mail that consists of unsolicited advertising material for the lease, sale, rental, gift offer, or other disposition of any realty, goods, services, or extension of credit, the subject line of each and every message shall include "ADV:" as the first four (4) characters. If these messages contain information that consists of unsolicited advertising material for the lease, sale, rental, gift offer, or other disposition of any realty, goods, services, or extension of credit, that may only be viewed, purchased, rented, leased, or held in possession by an individual eighteen (18) years of age and older, the subject line of each and every message shall include "ADV:ADLT" as the first eight (8) characters.

(5) An employer who is the registered owner of more than one (1) e-mail address may notify the person conducting business in this Commonwealth e-mailing or causing to be e-mailed, documents consisting of unsolicited advertising material for the lease, sale, rental, gift offer, or other disposition of any realty, goods, services, or extension of credit of the desire to cease e-mailing on behalf of all of the employees who may use employer-provided and employer-controlled e-mail addresses.

(6) In the case of e-mail, this section shall apply when the unsolicited e-mailed documents are delivered to a Kentucky resident via an electronic mail service provider's service or equipment located in this Commonwealth.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) Any person who violates Section 2 of this Act shall be liable for a civil penalty as follows:

(a) A fine not to exceed five hundred dollars ($500) for the first violation;

(b) A fine not to exceed one thousand dollars ($1,000) for the second violation; and

(c) A fine not to exceed two thousand five hundred dollars ($2,500) for each subsequent violation.

(2) The court shall impose a civil penalty for each violation of Section 2 of this Act. In assessing the amount of the civil

penalty, the court shall consider any one (1) or more of the relevant circumstances presented by any of the parties to the case, including, but not limited to, the following:

(a) The nature and seriousness of the misconduct;

(b) The number of violations;

(c) The persistence of the misconduct;

(d) The length of time over which the misconduct occurred;

(e) The willfulness of the defendant's misconduct; and

(f) The defendant's assets, liabilities, and net worth.

(3) (a) If the action is brought by the Attorney General, then the entire amount of any penalty collected, including any form of settlement, shall be paid into the general fund.

(b) If the action is brought by a Commonwealth's Attorney, then one-half (1/2) of the amount of any penalty collected, including any form of settlement, shall be split equally among the county treasurers in that Commonwealth's Attorney's respective Judicial Circuit and one-half (1/2) shall be paid into the general fund.

(c) If the action is brought by a county attorney, then one-half (1/2) of the amount of any penalty collected, including any form of settlement, shall be paid to the county treasurer and one-half (1/2) shall be paid into the general fund.

(4) If the action is brought at the request of a local consumer affairs agency, the court shall determine the reasonable expenses incurred by the local agency in the investigation and prosecution of the action. Before any penalty collected is paid out pursuant to subsection (3), the amount of these reasonable expenses incurred by the local consumer affairs agency shall be paid to the general fund of the local government which funds that agency.

Section 4. KRS 367.46951 is amended to read as follows:

As used in KRS 367.46951 to 367.46999, unless the context otherwise requires:

(1) "Telephone solicitation" means:

(a) A telephone call[~~ or message sent by a facsimile machine~~] to a residential, mobile, or telephone paging device telephone number, including a call made by an automatic dialing or recorded message device, for the purpose of:

1. Soliciting a sale of consumer goods or services, offering an investment, business, or employment opportunity, or offering a consumer loan to the person called;

2. Obtaining information that will or may be used for the solicitation of a sale of consumer goods or services, the offering of an investment, business, or employment opportunity, or the offering of a consumer loan to the person called;

3. Offering the person called a prize, gift, or anything else of value, if payment of money or other consideration is required in order to receive the prize or gift, including the purchase of other merchandise or services or the payment of any processing fees, delivery charges, shipping and handling fees, or other fees or charges; or

4. Offering the person called a prize, gift, or other incentive to attend a sales presentation for consumer goods or services, an investment or business opportunity, or a consumer loan; or

(b) A solicitation or attempted solicitation which is made by telephone in response to inquiries generated by unrequested notifications sent by the merchant to persons who have not previously purchased goods or services from the merchant or telemarketer or who have not previously requested credit from the merchant, to a prospective purchaser if the merchant or telemarketer represents or implies to the recipient of the notification that any of the following applies:

1. That the recipient has in any manner been specially selected to receive the notification or the offer contained in the notification;

2. That the recipient will receive a prize or gift if the recipient calls the merchant or telemarketer; or

3. That if the recipient buys one (1) or more items from the merchant or telemarketer, the recipient will also receive additional or other items of the same or a different type at no additional cost or for less than the regular price of the items;

(2) "Telephone solicitation" does not mean the following:

(a) A telephone call made in response to an express request of a person called, unless the request was made during a prior telephone solicitation;

(b) A telephone call made primarily in connection with the payment or performance of an existing debt or contract, the payment or performance of which has not been completed at the time of the call;

(c) A telephone call to any person with whom the telemarketer or merchant has a prior or existing business relationship, including but not limited to the solicitation of contracts for the maintenance or repair of items previously purchased from the person making the solicitation or on whose behalf the solicitation is made;

(d) A telephone call made by any of the following:

1. A college or university accredited by a national or regional accrediting organization;
2. An organization exempt from taxation under Section 501(c)(3) or Section 501(c)(6) of the Internal Revenue Code;
3. A school, or a person on behalf of a school, regulated by the Kentucky Department of Education;
4. A real estate broker or sales associate properly licensed under the provisions of KRS Chapter 324;
5. A broker-dealer, agent, or investment adviser properly registered under the provisions of KRS Chapter 292;
6. An insurance agent, solicitor, or consultant properly licensed under the provisions of Subtitle 9 of KRS Chapter 304;
7. An employment agency that has obtained a current permit from the Cabinet for Workforce Development under the provisions of KRS Chapter 340;
8. A person soliciting the sale of a subscription to a newspaper, magazine, or periodical of general circulation, or a cable television service;
9. A merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent, when the merchant or telemarketer is regulated by the Public Service Commission;
10. A merchant or telemarketer soliciting the sale of food costing less than one hundred dollars ($100) to each address;
11. A person who periodically issues and delivers catalogs to potential purchasers if the catalog includes a written description or illustration and the sales price of each item offered for sale, includes at least twenty-four (24) full pages of written material or illustrations, is distributed in more than one (1) state, and has an annual circulation of not less than two hundred fifty thousand (250,000) customers;
12. Any corporation, partnership, or individual whose business or activities are regulated by the Commonwealth of Kentucky, Department for Financial Institutions;
13. A merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent when the merchant or telemarketer is subject to the control or licensure regulations of the Federal Communications Commission;
14. A book, video, or record club or contractual plan or arrangement in which the merchant or telemarketer provides the consumer with a form which the consumer may use to instruct the merchant or telemarketer not to ship the offered merchandise, or which is regulated by federal regulation concerning the use of negative option plans by sellers in commerce, or which otherwise provides for the sale of books, records, or videos. Examples of the latter plan include continuity plans, subscription arrangements, standing order arrangements, supplements, and series arrangements under which the seller periodically ships merchandise to a consumer who has consented in advance to receive the merchandise on a periodic basis;
15. A merchant or telemarketer who: solicits without intent to complete or obtain provisional acceptance of a sale during the telephone solicitation; does not make the major sales presentation during the solicitation but arranges for the major presentation to be made at a later, face-to-face meeting between the sales person and the purchaser; and does not go or cause another to collect payment for the purchase or deliver any item purchased to the prospective purchaser directly following the telephone solicitation;
16. Any telephone marketing service company which provides telemarketing sales services under contract to merchants and has been operating continuously for at least five (5) years under the same business name and seventy-five percent (75%) of whose services are performed for merchants exempted under KRS 367.46951 to 367.46999, if the company files an annual certification with the Office of the Attorney General on a form prescribed by the Attorney General. The certification shall include the company's basis for claiming the exemption and shall indicate the company's agreement to comply with the provisions of KRS 367.46951 to 367.46999, if applicable;
17. A telephone call made by a merchant or telemarketer located in Kentucky to a location outside the Commonwealth of Kentucky;
18. A merchant or his employee if the merchant has operated for at least two (2) years, under the same name as that used in connection with its telemarketing operations, a retail establishment in Kentucky where consumer goods are displayed and offered for sale on a continuing basis if a majority of the merchant's business involves the buyers obtaining services or products at the merchant's retail establishment; or
19. A merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent, where the merchant or telemarketer is a publicly traded corporation;

Except for paragraph (d)16. of this subsection, the exemptions provided under this subsection shall apply only to a merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent engaging in a telephone solicitation on the merchant's or telemarketer's behalf;

(3) "Consumer goods or services" means goods, services, or interests in real property used by natural persons primarily for personal, family, or household purposes;

(4) "Consumer loan" means any extension of credit, including credit cards and other forms of revolving credit, to a natural person primarily for the purposes of purchasing consumer goods or services or for paying existing personal, family, or household debts;

(5) "Consumer" means a natural person who receives a telephone solicitation;

(6) "Legal name of the merchant" means the real name of the merchant, as defined in KRS 365.015(1), or the assumed name of the merchant for which all proper certificates have been filed pursuant to KRS 365.015;

(7) "Merchant" means the individual or business entity offering the consumer goods or services, an investment, business, or employment opportunity, or a consumer loan;

(8) "Caller" or "sales person" means the individual making the call or operating the automatic dialing or recorded message device and causing the call to be made;

(9) "Division" means the Consumer Protection Division of the Office of the Attorney General;

(10) "Automated calling equipment" means any device or combination of devices used to select or dial telephone numbers and to deliver recorded messages to those numbers without the use of a live operator; and

(11) "Telemarketer" means any person who under contract with a merchant or in connection with a telephone solicitation initiates or receives telephone calls to or from a consumer of goods and services. A telemarketer includes, but is not limited to, any such person that is an owner, operator, officer, director, or partner to the management activities of a business.

(12) "Publicly-traded corporation" means an issuer or subsidiary of an issuer that has a class of securities which is:

(a) Subject to Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. sec. 78l) and which is registered or exempt from registration under paragraph (A), (B), (C), (E), (F), (G), or (H) of subsection (g)(2) of that section;

(b) Listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market System; or

(c) A reported security within the meaning of subparagraph (4) of Regulation Section 240.11Aa3-1.(a) under the Securities Exchange Act of 1934. A subsidiary of an issuer that qualifies for exemption under this paragraph shall not itself be exempt unless at least sixty percent (60%) of the voting power of its shares is owned by the qualifying issuer.

(13) "Telemarketing company" means a company whose primary business is to engage in telephone solicitation.

HB 488, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.120 is amended to read as follows:

(1) There is created the Division of ***Workers' Compensation Funds***[~~the Special Fund~~] in the Department of Workplace Standards which shall be responsible for the administration ***and***[~~of the~~] legal representation of the ***special fund and the coal workers' pneumoconiosis*** fund and the maintenance of records regarding the payment of claims by ***these funds***[~~the fund~~]. The Division of ***Workers' Compensation Funds***[~~the Special Fund~~] shall be headed by a director appointed by the commissioner, with the prior written approval of the Governor pursuant to KRS 12.050. The director shall be responsible for overseeing the administration ***and***[~~of the~~] legal representation of the ***funds***[~~fund~~] and the maintenance of records regarding the payment of claims by the ***funds***[~~fund~~].

(2) The special fund shall have no liability upon any claim in which the injury occurred, or for cumulative trauma, the disability became manifest, or, for occupational disease, if the date of injury or last exposure occurred, after December 12, 1996.

(3) Where the employer has settled its liability for income benefits and thereafter a determination has been made of the special fund's liability, the special fund portion of the benefit rate shall be paid over the maximum period provided for by statute for that disability, with the period of payment beginning on the date settlement was approved by an administrative law judge. This provision is remedial and shall apply to all pending and future claims.

Section 2. KRS 342.1242 is amended to read as follows:

(1) There is created[~~ the Division of~~] the Kentucky Coal Workers' Pneumoconiosis Fund[~~ in the Department of Workplace Standards~~] which shall ***have one-half (1/2) of the liability for income benefits, including retraining benefits, payable for claims brought under KRS 342.732 for last exposure incurred on or after December 12, 1996. Income benefit payments by the Kentucky coal workers' pneumoconiosis fund shall be made contemporaneous with the payments made by the employer, except that the employer shall make all payments due under a final award or approved settlement until the liability of the Kentucky coal workers' pneumoconiosis fund is established under subsection (2) of this section and the coal workers' pneumoconiosis fund shall reimburse the employer for such payments to the extent of its liability***[~~be headed by a director appointed by the commissioner, with the prior written approval of the Governor~~

~~pursuant to KRS 12.050. The director shall be responsible for overseeing the administration and legal representation of the fund and the maintenance of records regarding the payment of claims by the fund~~].

(2) The employer shall defend any claim brought under KRS 342.732 and upon conclusion shall seek participation in payment of the final award or settlement by the Kentucky coal workers' pneumoconiosis fund by making written request upon the director in the manner prescribed by administrative regulation to be promulgated by the commissioner of the Department of Workers' Claims.

(3)[~~The Kentucky coal workers' pneumoconiosis fund shall have one-half (1/2) of the liability for income benefits, including retraining benefits, payable for claims brought under KRS 342.732 for last exposure incurred on or after December 12, 1996. Income benefit payments by the Kentucky coal workers' pneumoconiosis fund shall be made contemporaneous with the payments made by the employer, except that the employer shall make all payments due under a final award or approved settlement until the liability of the Kentucky coal workers' pneumoconiosis fund is established under subsection (4) of this section and the coal workers' pneumoconiosis fund shall reimburse the employer for such payments to the extent of its liability.~~

~~(4)~~] (a) For the purpose of funding and prefunding the liabilities of the Kentucky coal workers' pneumoconiosis fund and financing the administration and operation of the Kentucky coal workers' pneumoconiosis fund, as reflected in the budget of the Commonwealth enacted by the General Assembly, a Kentucky coal workers' pneumoconiosis fund assessment at the rate of three percent (3%) is hereby imposed upon the amount of workers' compensation premiums received on and after January 1, 1997, through December 31, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth and by every group of self-insurers operating under the provisions of KRS 342.350(4), from employers engaged in the severance or processing of coal. Likewise, on and after January 1, 1997, through December 31, 1997, an assessment at the rate of three percent (3%) of premium shall be paid by every employer engaged in the severance or processing of coal who is carrying his or her own risk.

(b) In addition to the assessment imposed in paragraph (a) of this subsection, an additional Kentucky coal workers' pneumoconiosis fund assessment at the rate of two and one-half cents ($0.025) per ton is hereby imposed upon the total annual amount of tons of coal severed on or after January 1, 1997, through December 31, 1997, by every entity engaged in the severance of coal as required pursuant to KRS Chapter 143.

(c) As of September 1, 1997, and each year thereafter, the funding commission shall determine the assets of the fund and the claim and administrative expense liability incurred by the fund for all previous years and shall establish the rates under the provisions of paragraphs (a) and (b) of this subsection necessary as of January 1 of the next year to fully fund and prefund all claim liabilities and administrative expenses through December 31 of the next year of operations. The assessment rate authorized by this section for premiums received and tons of coal severed shall be set so as to receive fifty percent (50%) of the needed revenue from each assessment. Notice of any rate changes shall be provided no later than December 1 of the year preceding the rate change.

(4)[~~(5)~~] All assessments imposed by this section shall be paid to the Kentucky Workers' Compensation Funding Commission and shall be credited to a separate account within the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission. In addition, the powers and responsibilities of the Kentucky Workers' Compensation Funding Commission including its fiduciary duties and responsibilities relating to assessments collected for the special fund pursuant to KRS 342.122, 342.1222, 342.1223, 342.1226, 342.1229, and 342.1231 shall apply to assessments collected for the Kentucky coal workers' pneumoconiosis fund created pursuant to this section. Each entity subject to assessments for the Kentucky coal workers' pneumoconiosis fund shall provide any and all information requested by the Kentucky Workers' Compensation Funding Commission necessary to carry out its powers and responsibilities relating thereto.

(5)[~~(6)~~] These assessments shall be paid quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received or the coal is processed or severed. Receipt shall be considered timely through actual physical receipt or by postmark by the United States Postal Service. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments. Penalty and interest penalties imposed pursuant to KRS 342.1221 and the authority of the Kentucky Workers' Compensation Funding Commission to waive part or all of the penalty shall apply to assessments for the Kentucky coal workers' pneumoconiosis fund in the same manner and amount as they are imposed on assessments for the special fund under KRS 342.122.

(6)[~~(7)~~] Notwithstanding any other provisions of this section or this chapter to the contrary, the total amount of funds collected pursuant to the assessment rates adopted by the funding commission shall not be limited to the provisions of this section.

(7)[~~(8)~~] Claims for benefits by reason of the development of coal workers' pneumoconiosis shall be maintained pursuant to KRS 342.732, and the Kentucky coal workers' pneumoconiosis fund shall be liable for payment of a part of the liability only for employees of employers engaged in the severance or processing of coal as defined in KRS 342.0011(23)(a) and (b).

Section 3. KRS 342.232 is amended to read as follows:

(1) The boards of directors of the following funds shall make quarterly reports according to generally-accepted accounting

principles of all money received and disbursed by the listed funds during each quarter to the Legislative Research Commission. The funds which shall be reported are:

(a) Kentucky individual self-insurance guaranty fund;

(b) Kentucky group self-insurance fund; and

(c) Kentucky coal employers self-insurance fund.

(2) The director of the Division of ***Workers' Compensation Funds***~~[the Kentucky Coal Workers' Pneumoconiosis Fund]~~ shall make quarterly reports according to generally-accepted accounting principles of all money received and disbursed by the ***coal workers' pneumoconiosis*** fund~~[during each quarter]~~ to the Legislative Research Commission.

(3) The Department of Workers' Claims shall make quarterly reports to the Legislative Research Commission on the status of the provisions of this chapter.

Section 4. KRS 342.265 is amended to read as follows:

(1) If the employee and employer and special fund or any of them reach an agreement conforming to the provisions of this chapter in regard to compensation, a memorandum of the agreement signed by the parties or their representatives shall be filed with the commissioner, and, if approved by an administrative law judge, shall be enforceable pursuant to KRS 342.305. Where all parties have not joined in the settlement agreement, it shall not be approved unless it is certified that the party not participating in the settlement has been served with a copy of the agreement not less than ten (10) days prior to submission of the agreement for approval. This provision shall not be construed to prevent the voluntary payment of compensation for the periods and in the amounts prescribed by this chapter, but nothing shall operate as a final settlement except a memorandum of agreement filed with the commissioner and approved by the administrative law judge. Upon claims settled after December 12, 1996, the special fund shall have the option of settling its liability for income benefits on the same terms as those reached between the employee and employer. Notice of the special fund exercise of the option granted in this subsection shall be made by letter of the director of the ***Division of Workers' Compensation Funds***~~[special fund]~~ mailed to the parties within ten (10) days of receipt by the director of a copy of the agreement.

(2) Settlement agreements concluded after July 14, 2000, providing for commuted lump-sum payment of future income benefits which would otherwise be payable in amounts greater than one hundred dollars ($100) per week shall not be approved unless there is reasonable assurance that the worker will have an adequate source of income during disability. This subsection is remedial and applies to all pending and future claims.

(3) Upon lump-sum settlement of future periodic payments, the discount rate used in the calculation of the settlement amount shall not exceed a reasonable amount fixed by the commissioner. For settlements approved after December 12, 1996, until December 31, 1997, the true discount rate shall be six percent (6%) compounded annually on each payment. Before January 1 of each year commencing in 2001, the commissioner shall fix the discount rate to be utilized in the succeeding year based at one-half of one percent (0.5%) below the interest rate paid upon ten (10) year United States Treasury Notes as of August 1 of the preceding year.

(4) If the parties have previously filed an agreement which has been approved by the administrative law judge, and compensation has been paid or is due in accordance therewith and the parties thereafter disagree, either party may invoke the provisions of KRS 342.125, which remedy shall be exclusive.

(5) An application for resolution of claim shall be held in abeyance during any period voluntary payments of income benefits are being made under any benefit sections of this chapter to the maximum which the employee's wages shall entitle unless it shall be shown that the prosecution of the employee's claim would be prejudiced by delay.

Section 5. KRS 342.320 is amended to read as follows:

(1) All fees of attorneys and physicians, and all charges of hospitals under this chapter, shall be subject to the approval of an administrative law judge pursuant to the statutes and administrative regulations.

(2) In an original claim, attorney's fees for services under this chapter on behalf of an employee shall be subject to the following maximum limits:

(a) Twenty percent (20%) of the first twenty-five thousand dollars ($25,000) of the award, fifteen percent (15%) of the next ten thousand dollars ($10,000), and five percent (5%) of the remainder of the award, not to exceed a maximum fee of twelve thousand dollars ($12,000). This fee shall be paid by the employee from the proceeds of the award or settlement.

(b) Attorney-client employment contracts entered into and signed after July 14, 2000, shall be subject to the conditions of paragraph (a) of this subsection.

(3) In approving an allowance of attorney's fees, the administrative law judge shall consider the extent, complexity, and quality of services rendered, and in the case of death, the Remarriage Tables of the Dutch Royal Insurance Institute. An attorney's fee may be denied or reduced upon proof of solicitation by the attorney. However, this provision shall not be construed to preclude advertising in conformity with standards prescribed by the Kentucky Supreme Court.

(4) No attorney's fee in any case involving benefits under this chapter shall be paid until the fee is approved by the administrative law judge, and any contract for the payment of attorney's fees otherwise than as provided in this section shall be void. The motion for approval of an attorney's fee shall be submitted within thirty (30) days following finality of

the claim. Except when the attorney's fee is to be paid by the employer or carrier, the attorney's fee shall be paid in one (1) of the following ways:

(a) The employee may pay the attorney's fee out of his personal funds or from the proceeds of a lump-sum settlement; or

(b) The administrative law judge, upon request of the employee, may order the payment of the attorney's fee in a lump sum directly to the attorney of record and deduct the attorney's fee from the weekly benefits payable to the employee in equal installments over the duration of the award or until the attorney's fee has been paid, commuting sufficient sums to pay the fee.

(5) At the commencement of the attorney-client relationship, the attorney shall explain to the employee the methods by which this section provides for the payment of the attorney's fee, and the employee shall select the method in which his attorney's fee is to be paid. His selection and statement that he fully understands the method to be used shall be submitted by his attorney, on a notarized form signed by the employee, at the time the motion for approval of the attorney's fee is submitted. The commissioner shall develop the format and content of the form to be used pursuant to this section. The form to be used shall list on its face all options permitted in this section for the payment of an attorney's fees and contain an explanation in nontechnical language of each method.

(6) The General Assembly declares that by the enactment of KRS 342.316(3), it is the legislative intent to encourage settlement and prompt administrative handling of those claims and thereby reduce expenses to claimants for compensation under the provisions of KRS 342.316, and the administrative law judge shall give due regard to this legislative intent in the handling of uncontested claims and the allowance of attorney's fees therein.

(7) In a claim that has been reopened pursuant to the provisions of this chapter, an attorney's fee may be awarded by the administrative law judge subject to the limits set forth in subsection (2) of this section. In awarding the attorney's fee, the administrative law judge shall consider the factors set forth in subsection (3) of this section. If no additional amount is recovered upon reopening, no attorney's fee shall be awarded. No attorney's fee shall be allowed or approved exceeding the amounts provided in subsection (2)(a) of this section applicable to any additional amount recovered.

(8) Attorney's fees for representing employers in proceedings under this chapter pursuant to contract with the employer shall be subject to approval of the administrative law judge in the same manner as prescribed for attorney representation of employees. Employer attorney's fees are subject to the limitation of twelve thousand dollars ($12,000) maximum fees except that fees for representing employers shall not be dependent upon the result achieved. Employer attorney's fees may be paid on a periodic basis while a claim is adjudicated and the payments need not be approved until the claims resolution process is completed. Fees for legal services in presenting a claim for reimbursement ***from***[~~to the director of~~] the Kentucky coal workers' pneumoconiosis fund shall not exceed one thousand dollars ($1,000). All such approved fees shall be paid by the employer and in no event shall exceed the amount the employer agreed by contract to pay.

Section 6. KRS 336.020 is amended to read as follows:

(1) The Department of Workplace Standards shall be headed by a commissioner and shall be divided for administrative purposes into the Divisions of Employment Standards, Apprenticeship and Training; ***Workers' Compensation Funds***[~~Special Fund~~]; Occupational Safety and Health Compliance; and Education and Training for Occupational Safety and Health.

(2) The Department of Workers' Claims shall be administered by a commissioner and shall be divided for administrative purposes into the Divisions of Claims Processing and Appeals, Information and Research, Security and Compliance, Administrative Law Judges, and Insurance.

Section 7. KRS 342.1241 is amended to read as follows:

(1) The General Assembly finds and declares that the awards of workers' compensation benefits for coal workers' pneumoconiosis (black lung) have placed a substantial financial burden on all employers of the Commonwealth through the special fund assessments imposed on all employers to cover the liabilities of the special fund.

(2) The General Assembly finds and declares that the purpose of creating the Kentucky Coal Workers' Pneumoconiosis Fund in KRS 342.1242 is to assure that liabilities incurred as a result of workers' compensation awards for coal workers' pneumoconiosis with dates of last exposure after December 12, 1996, shall be the financial responsibility of employers engaged in severance and processing of coal.

(3) Therefore, it is the intent of the General Assembly in imposing the assessments required in KRS 342.1242*(3)*[~~(4)~~](a) and (b) to assure that liabilities incurred as a result of workers' compensation awards for coal workers' pneumoconiosis with dates of last exposure after December 12, 1996, shall be the financial responsibility of employers engaged in the severance and processing of coal.

Section 8. The General Assembly hereby confirms Executive Order 2001-1294, dated October 17, 2001, which abolishes the Division of the Kentucky Coal Workers' Pneumoconiosis Fund; transfers the duties, personnel, funds, equipment and records of the Division of the Kentucky Coal Workers' Pneumoconiosis Fund to the Division of the Special Fund, and changes the name of the Division of the Special Fund to the Division of Workers' Compensation Funds, to the extent it is not otherwise confirmed by this Act.

HCR 70, A CONCURRENT RESOLUTION consenting to the appointment of Bayard Collier as a member of the Mine Safety Review Commission.

WHEREAS, KRS 351.1041 requires the Governor to appoint the three members of the Mine Safety Review Commission, subject to the consent of the Senate and House of Representatives in accordance with KRS 11.160; and

WHEREAS, on May 23, 2001, the Governor appointed Bayard Collier as a member of the Mine Safety Review Commission by Executive Order 2001-633, to serve a term expiring on May 23, 2003, and designating him to serve as Chair of the Commission; and

WHEREAS, the House of Representatives and the Senate find that Bayard Collier meets the requirements of KRS 351.1041, having the qualifications of a Judge of the Court of Appeals, except for residence in a district;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate consent to the appointment of Bayard Collier as a member of the Mine Safety Review Commission, for a term expiring on May 23, 2003, and to serve as Chair of the Commission.

Section 2. The Clerk of the House of Representatives shall notify the Governor and the appointee of the General Assembly's action, by forwarding a copy of this Resolution and written notification of its adoption to Mr. Bayard Collier, 395 Walters Road, Pikeville, Kentucky 41502 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 71, A CONCURRENT RESOLUTION consenting to the appointment of Charles M. Tackett as a member of the Mine Safety Review Commission.

WHEREAS, KRS 351.1041 requires the Governor to appoint the three members of the Mine Safety Review Commission, subject to the consent of the Senate and House of Representatives in accordance with KRS 11.160; and

WHEREAS, on May 23, 2001, the Governor appointed Charles M. Tackett as a member of the Mine Safety Review Commission by Executive Order 2001-633, to serve a term expiring on May 23, 2004; and

WHEREAS, the House of Representatives and the Senate find that Charles M. Tackett meets the requirements of KRS 351.1041, having the qualifications of a Judge of the Court of Appeals, except for residence in a district;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate consent to the appointment of Charles M. Tackett as a member of the Mine Safety Review Commission, for a term expiring on May 23, 2004.

Section 2. The Clerk of the House of Representatives shall notify the Governor and the appointee of the General Assembly's action, by forwarding a copy of this Resolution and written notification of its adoption to Mr. Charles M. Tackett, 7086 Tates Creek Road, Lexington, Kentucky 40515 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 72, A CONCURRENT RESOLUTION consenting to the appointment of William R. Whitledge as a member of the Mine Safety Review Commission.

WHEREAS, KRS 351.1041 requires the Governor to appoint the three members of the Mine Safety Review Commission, subject to the consent of the Senate and House of Representatives in accordance with KRS 11.160; and

WHEREAS, on May 23, 2001, the Governor appointed William R. Whitledge as a member of the Mine Safety Review Commission by Executive Order 2001-633, to serve a term expiring on May 23, 2002; and

WHEREAS, the House of Representatives and the Senate find that William R. Whitledge meets the requirements of KRS 351.1041, having the qualifications of a Judge of the Court of Appeals, except for residence in a district;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate consent to the appointment of William R. Whitledge as a member of the Mine Safety Review Commission, for a term expiring on May 23, 2002.

Section 2. The Clerk of the House of Representatives shall notify the Governor and the appointee of the General Assembly's action, by forwarding a copy of this Resolution and written notification of its adoption to Mr. William R. Whitledge, 141 Yorkwood Place, Madisonville, Kentucky 42431 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

The Committee on State Government reported **HB 299** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Referred to the Committee on Rules.

The Committee Substitute to **HB 299** is as follows:

HB 299, AN ACT relating to school mentors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section, unless the context requires otherwise:

(a) "Commonwealth Education Mentor" means a state employee who gives willingly of his or her services as a mentor;

(b) "The Commonwealth Mentor Initiative" means a statewide incentive program to encourage state employees to serve as mentors in local schools, including day care centers, preschools, kindergartens, elementary, middle, and high schools;

(c) "Mentor" means an individual who is willing to devote time to the success of a child through friendship, encouragement, and praise;

(d) "Mentor leave" means leave with pay that is granted by a state governmental agency for the purpose of allowing a state employee to participate in a mentor activity in a private or public school; and

(e) "State employee" means an individual who is employed by any department, board, agency, or branch of the executive, legislative, or judicial branches of state government.

(2) The Commonwealth Mentor Initiative is hereby established for the purposes of:

(a) Promoting the positive, consistent participation of caring adults in children's lives;

(b) Demonstrating the Commonwealth's commitment to educating all of its children;

(c) Using the Commonwealth's human resources to help improve the quality of educational experiences for its children; and

(d) Engaging state employees throughout the Commonwealth to help carry out the shared responsibilities in helping all students acquire the capacities identified in KRS 158.645.

(3) Beginning August 15, 2002, a state employee shall be granted up to one (1) hour per week of volunteer leave, provided the following conditions are met:

(a) The state employee makes a formal request to his or her supervisor that specifies the location and the time each week that he or she will be mentoring;

(b) The formal request is accompanied by a letter from the school principal or head teacher on official letterhead that specifies that the state employee has been approved to serve as a mentor in the school in compliance with the local school district policies or the private school policies;

(c) The supervisor and the state employee agree to an appropriate time each week in order that the workplace is not negatively impacted or disproportionately impacted on any one given day;

(d) The employee and the school agree to provide reports or written statements as requested by the employee's supervisor that attest to the volunteer's time spent and duties carried out; and

(e) The employee agrees to donate thirty (30) minutes of accumulated compensatory time or annual leave or thirty (30) minutes of the employee's lunch period for one (1) hour of approved mentor leave per week.

(4) A state employee shall comply with requirements for a state criminal records check as specified by the school district policy and as required under KRS 161.148. The results of the criminal records check shall be used by the school district or school to determine if a person is eligible to be a mentor within its policies, but may not be used by the state agency to impact the employee's position.

(5) Mentor leave shall count as hours of pay but shall not count as hours of work for overtime purposes as mentor leave may only be granted for time during the employee's regular work hours, not including the employee's lunch hour or break time. A state employee shall not accrue mentor leave for later use, if he or she does not use an hour of mentor leave in a given week.

(6) The intended use of the one (1) hour for mentoring is for actual time spent on the activity; however, if a mentoring session is scheduled by the school for less time, the remainder of the hour may be used for travel. If the time of the mentor activity and the location require travel time within the work day, the employee shall take annual leave or compensatory leave.

(7) On occasion, the state employee may request approval to aggregate hours within a month in order to assist the school with special events such as a field trip, a school assembly, or other activity.

(a) The agency may advance up to three (3) additional hours within a month to permit the employee to use four (4) hours of mentor leave on a given day.

(b) A supervisor shall not approve a mentor to aggregate hours in consecutive months.

(8) On occasion, it may be necessary for a supervisor to deny a request for leave when the employee's absence would impact the ability of the work unit to accomplish its mission; however, the supervisor shall determine an alternative that will permit the employee to mentor under provisions of this section.

(9) The state shall not be liable for workers' compensation benefits arising from accident or injury while the state employee is on assignment as a mentor in a school.

(10) The Kentucky Department of Personnel shall inform all state employees of the Commonwealth Mentor Initiative and facilitate the implementation of this program.

(a) The department shall advise each agency on a method to code the mentor leave and to summarize the data relating to the Commonwealth Mentor Initiative.

(b) The department shall provide a report to the Interim Joint Committee on Education as to the implementation and initial impact of this initiative by August 15, 2003.

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The boards of trustees and the boards of regents for the public postsecondary education institutions defined in KRS 164.001 shall develop personnel policies to encourage their employees to serve as education mentors.

The Committee on State Government reported **HB 73, HB 247** with Committee Substitute attached thereto, **HB 313, HB 322, HB 349, HB 449, HCR 42,** and **HCR 62** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 73, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 6.505 is amended to read as follows:

(1) Each legislator in office on July 1, 1980, may within thirty (30) days after that date, and any legislator thereafter taking office may within thirty (30) days after the date thereof, elect to make monthly contributions to the Legislators' Retirement Plan, in an amount equal to five percent (5%) of his monthly creditable compensation, as defined in KRS 61.510(13). The election shall be effective to establish membership in the plan as of July 1, 1980, or as of the date from which the thirty (30) day period is measured, as the case may be. Provided, however, that any legislator who was in office on July 1, 1980, and who is in office at the time he makes the election may, after the expiration of the thirty (30) day period and until May 1, 1982, make the election, in which event he shall pay to the Legislators' Retirement Plan, for the months between July 1, 1980, and the date of his election such sum as, when added to any member's contribution by him that is transferred from another retirement system under KRS 6.535, will equal the member's contribution required by this section. If the member makes his election after February 1, 1981, he shall in addition pay to the plan interest on the foregoing sum, at six percent (6%) per annum, calculated as if the sum consisted of equal monthly payments, one (1) of which was due at the end of each month between July 1, 1980, and the date the election was made. The election shall be addressed to and filed with the secretary of the Finance and Administration Cabinet and shall constitute an authorization to the secretary to thereafter cause to be deducted from the member's monthly creditable compensation an amount equal to five percent (5%) thereof, as a voluntarily elected contribution by the member towards the funding of the Legislators' Retirement Plan. Such election shall operate to create an inviolable contract between such member and the Commonwealth, guaranteeing to and vesting in the member the rights and benefits provided for under KRS 6.515 to 6.530. An election once made under this section either to participate or not to participate in the Legislators' Retirement Plan, shall be considered to apply to all future service as a legislator, whether in the same or a different office as a legislator, and whether or not it is in successive terms.

(2) The state shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(10). The picked-up employee contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982, by the employee contribution, and the picked-up employee contribution shall be in lieu of an employee contribution. The state shall pay these picked-up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employee contributions picked up after August 1, 1982, shall be treated for all purposes of KRS 6.500 to 6.535 in the same manner and to the same extent as employee contributions made prior to August 1, 1982.

(3) ***(a) Except as otherwise provided in paragraph (b) of this subsection,*** when any legislator elects membership in the Legislators' Retirement Plan in accordance with this section, his active membership in the Kentucky Employees Retirement System, State Police Retirement System, County Employees Retirement System, or Teachers' Retirement System shall terminate, as of the date his membership in the Legislators' Retirement Plan becomes effective, and any credit in such other system or systems, earned for service as a legislator, which he then has or which he subsequently regains while being an active member of the Legislators' Retirement Plan, shall be

transferred to and counted as service credit in the Legislators' Retirement Plan, and shall no longer constitute credit in such other retirement system except for the purpose of validating any other credit in that system. However, any credit he then has in such other retirement system, earned for service in any capacity other than a legislator, shall not be affected. No person may attain credit in more than one (1) of the retirement plans or systems mentioned in this section, for the same period of service.

(b) Any other provision of law to the contrary notwithstanding, a member of the Legislators' Retirement Plan who was previously an active member of the Kentucky Employees Retirement System, State Police Retirement System, County Employees Retirement System, or Teachers' Retirement System, and who would otherwise qualify for active membership in one of those plans, may elect, in writing, to transfer out of the Legislators' Retirement Plan to that other retirement plan for which the member would otherwise qualify. If an election under this paragraph is made, all service credit and benefits earned as a member of the Legislators' Retirement System shall be transferred, as well as the dollar amount equal to the member's and employer's contributions from the date the contributions were made to the date of the transfer, plus interest, at the actuarially assumed interest rate for the Legislators' Retirement Plan. The member shall be entitled to the transferred service credit in the plan to which the member seeks transfer, when the member pays the difference, if any, between the amount of the funds transferred by the Legislators' Retirement Plan and the cost of the credit to the system accepting the transfer as determined by the receiving system's actuary.

(4) A member of the Legislators' Retirement Plan who would be entitled, under KRS 61.552, to repurchase credit in the Kentucky Employees Retirement System, for previous service as a legislator, which credit had been lost by refund of contributions, may pay the amount required by KRS 61.552 directly to the Legislators' Retirement Plan and thereby obtain credit in that plan for such service, rather than making payment to the Kentucky Employees Retirement System for credit which would be transferred to the Legislators' Retirement Plan. In such event, the Kentucky Employees Retirement System shall transfer to the Legislators' Retirement Plan an amount equal to the employer's contributions that originally were made to the Kentucky Employees Retirement System for the regained service credit, with interest as provided in KRS 6.535. Six (6) months' current service shall be required in the Legislators' Retirement Plan in order for the repurchased credit to remain in force, the same as provided in KRS 61.552.

HB 247, AN ACT relating to state risk.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 44.055 is amended to read as follows:

(1) Any state agency, as defined in KRS Chapter 12, may in its discretion, for the protection of the public and its employees, expend state funds to purchase policies of insurance of all kinds deemed advisable covering vehicles, including boats, owned by the state and operated by state employees when in the conduct of official business. The commissioner of insurance, upon recommendation of the secretary of the Finance and Administration Cabinet, shall initiate and be responsible for the purchase of a blanket liability insurance policy to cover the officers and employees of the several state agencies and shall determine, by administrative regulation, the policy limits that shall be applicable to the persons covered in each such affected agency[~~ not to exceed the limit prescribed in KRS 44.070~~].

(2) Nothing contained in this section shall be construed to be a waiver of sovereign immunity and claims against the Commonwealth, its agencies, officers, employees, or insurers may be asserted only in the manner set forth in KRS 44.070 to 44.160.

(3) Policies authorized by this section shall be purchased only from insurers authorized to do business in this state and shall be countersigned by a licensed resident agent.

Section 2. KRS 56.080 is amended to read as follows:

Before July 1 of each year, the Department of Insurance shall reconsider its appraisal and valuation of ***all real property***[~~public buildings~~] and personal property belonging to or under the control and use of the state or any state agency, and shall certify any changes in value to the agency that has the custody or control of the property. The appraisal and valuation shall equal the amount that the Department of Insurance deems necessary to replace the property at the time of the appraisal, which may be less actual depreciation.

Section 3. KRS 56.090 is amended to read as follows:

Before July 1 of each year the Department of Insurance shall fix, upon ***all real property***[~~each public building~~] and[~~ upon~~] each class of personal property belonging to or controlled or used by the state or any agency of the state, the rate of premium that the Department of Insurance deems to be the average rate charged by responsible insurance companies doing business in this state for insurance against damage by fire and other hazards upon property of like kind and degree of risk. The premium and insurance shall be calculated upon ***one hundred***[~~ninety~~] percent ***(100%)***[~~(90%)~~] of the valuation ***of all real property and each class of personal property***. Before July 1 of each year the Department of Insurance shall certify to the State Treasurer the premium to be charged against each agency of the state.

Section 4. KRS 56.100 is amended to read as follows:

(1) Each fiscal year the State Treasurer shall deduct from any funds in his hands payable to an agency for the care and

maintenance of ***real and personal***~~[public buildings or]~~ property, an amount equal to the premiums certified to him as chargeable against that agency. The amount so debited shall be credited to an account kept by the State Treasurer and known as the state fire and tornado insurance fund. No premium shall be charged on any one (1) subject of risk upon a valuation of more than ***one million dollars ($1,000,000)***~~[five hundred thousand dollars ($500,000)]~~ unless the Department of Insurance has contracted for reinsurance that limits the liability of the fund to ***one million dollars ($1,000,000)***~~[five hundred thousand dollars ($500,000)]~~ upon such subject of risk.

(2) The department shall prescribe a certificate setting forth the terms and conditions of coverage under the state fire and tornado insurance fund. Different forms of certificates may be used for different risks. Such certificates may contain such terms and conditions as the department may prescribe, including, but not limited to, a deductible in order that there be fair allocation of significant losses and the elimination of unnecessary costs in administering the state fire and tornado insurance fund.

Section 5. KRS 56.120 is amended to read as follows:

When the amount of damage has been determined, the State Treasurer shall debit the account of the state fire and tornado insurance fund by that amount and credit~~[with]~~ an equal amount ***to*** the account of the agency that has control or custody of the property damaged, and upon warrant from the Finance and Administration Cabinet, the Treasurer shall pay to the agency the amount so credited to it, for the purpose of repairing the damage or reconstructing or replacing the damaged or destroyed property. If the agency deems it impracticable or undesirable to use the money for repair, reconstruction, or replacement of the property damaged or destroyed, it may, with the approval of the Finance and Administration Cabinet, and subject to the provisions of KRS 56.491, expend said funds for the acquisition, repair, construction, or reconstruction of property similar to the property damaged or destroyed. No debit, credit, or payment made on account of the damage to any one (1) subject of risk, by any one (1) loss, shall be in excess of ***one million dollars ($1,000,000)***~~[five hundred thousand dollars ($500,000)]~~, unless the Department of Insurance has effected reinsurance upon the subject of risk such as to limit the liability of the state fire and tornado insurance fund to ***one million dollars ($1,000,000)***~~[five hundred thousand dollars ($500,000)]~~, and unless the excess over this amount has actually been paid into the fund by the reinsuring company or companies.

Section 6. KRS 56.140 is amended to read as follows:

(1) The State Treasurer, with approval of every investment by the Finance and Administration Cabinet, may invest the state fire and tornado insurance fund in ***compliance with KRS 42.500***~~[:~~

~~(a) Obligations of the United States government, its agencies, and Kentucky cities of the first, second, third, and fourth classes;~~

~~(b) Warrants issued on the State Treasurer;~~

~~(c) State bonds, including bridge revenue bonds issued under KRS 180.010 to 180.250;~~

~~(d) Bonds or other evidences of indebtedness of any domestic corporation that is an agent or instrumentality of the state or of any city, county, or school district of the state, secured by a mortgage on real estate in Kentucky that has been conveyed to the corporation by any city, county, school district, or state educational institution, and which the corporation has leased and given the option to lease to the city, county, school district, or state educational institution, with option in the lessee to purchase the property, or an interest therein, on the payment of the aggregate sum of the bond issue, plus the expenses incident to the issuance of the bonds and the formation and dissolution of the corporation, subject to credit of the amounts paid as rental for such property; and~~

~~(e) School bonds issued by cities under KRS 162.120 to 162.290]~~.

(2) The Finance and Administration Cabinet shall not approve investments on which there has ever been a default in payment of principal or interest preceding the date of acceptance by the State Treasurer.

(3) All income from investments credited to the state fire and tornado insurance fund shall be credited to that fund.

Section 7. KRS 56.150 is amended to read as follows:

The Department of Insurance and the State Treasurer may employ such assistance and incur such expenses as are necessary to carry out the purposes of KRS 56.070 to 56.180, subject to approval in advance by the Finance and Administration Cabinet. All such expenses may be debited against the state fire and tornado insurance fund, and paid on warrant of the Finance and Administration Cabinet***.***~~[, but]~~ The total ***calculated standard premiums, prior to the application of any experience credits,***~~[of such expenses]~~ during any fiscal year shall not exceed ten percent (10%) of the total receipts of the fund during the same fiscal year. If such expenses are incurred at a time when there is not a sufficient amount in the fund to pay them, they shall constitute a prior claim to be paid out of the first ***premium*** receipts of the fund thereafter before any damages on account of insured losses are paid.

Section 8. KRS 56.160 is amended to read as follows:

With the approval of the Finance and Administration Cabinet, the Department of Insurance may contract with any responsible ***property and casualty insurer***~~[fire and tornado insurance or reinsurance company]~~ authorized to do business in Kentucky to reinsure any subject of risk of which the total valuation has been fixed at over ***one million dollars ($1,000,000)***~~[five hundred~~

~~thousand dollars ($500,000)~~] in such a way as to limit the net liability of the state fire and tornado insurance fund with respect to such subject of risk to ***one million dollars ($1,000,000)***[~~five hundred thousand dollars ($500,000)~~]. The premium for reinsurance shall be paid out of the state fire and tornado insurance fund, on warrant of the Finance and Administration Cabinet.

The Committee Substitute to **HB 247** is as follows:

HB 247, AN ACT relating to state risk.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 44.055 is amended to read as follows:

(1) Any state agency, as defined in KRS Chapter 12, may in its discretion, for the protection of the public and its employees, expend state funds to purchase policies of insurance of all kinds deemed advisable covering vehicles, including boats, owned by the state and operated by state employees when in the conduct of official business. The commissioner of insurance, upon recommendation of the secretary of the Finance and Administration Cabinet, shall initiate and be responsible for the purchase of a blanket liability insurance policy to cover the officers and employees of the several state agencies and shall determine, by administrative regulation, the policy limits that shall be applicable to the persons covered in each such affected agency[~~ not to exceed the limit prescribed in KRS 44.070~~].

(2) Nothing contained in this section shall be construed to be a waiver of sovereign immunity and claims against the Commonwealth, its agencies, officers, employees, or insurers may be asserted only in the manner set forth in KRS 44.070 to 44.160.

(3) Policies authorized by this section shall be purchased only from insurers authorized to do business in this state and shall be countersigned by a licensed resident agent.

Section 2. KRS 56.080 is amended to read as follows:

Before July 1 of each year, the Department of Insurance shall reconsider its appraisal and valuation of ***all real property***[~~public buildings~~] and personal property belonging to or under the control and use of the state or any state agency, and shall certify any changes in value to the agency that has the custody or control of the property. The appraisal and valuation shall equal the amount that the Department of Insurance deems necessary to replace the property at the time of the appraisal, which may be less actual depreciation.

Section 3. KRS 56.090 is amended to read as follows:

Before July 1 of each year the Department of Insurance shall fix, upon ***all real property***[~~each public building~~] and[~~ upon~~] each class of personal property belonging to or controlled or used by the state or any agency of the state, the rate of premium that the Department of Insurance deems to be the average rate charged by responsible insurance companies doing business in this state for insurance against damage by fire and other hazards upon property of like kind and degree of risk. The premium and insurance shall be calculated upon ***one hundred***[~~ninety~~] percent ***(100%)***[~~(90%)~~] of the valuation ***of all real property and each class of personal property***. Before July 1 of each year the Department of Insurance shall certify to the State Treasurer the premium to be charged against each agency of the state.

Section 4. KRS 56.100 is amended to read as follows:

(1) Each fiscal year the State Treasurer shall deduct from any funds in his hands payable to an agency for the care and maintenance of ***real and personal***[~~public buildings or~~] property, an amount equal to the premiums certified to him as chargeable against that agency. The amount so debited shall be credited to an account kept by the State Treasurer and known as the state fire and tornado insurance fund. No premium shall be charged on any one (1) subject of risk upon a valuation of more than ***one million dollars ($1,000,000)***[~~five hundred thousand dollars ($500,000)~~] unless the Department of Insurance has contracted for reinsurance that limits the liability of the fund to ***one million dollars ($1,000,000)***[~~five hundred thousand dollars ($500,000)~~] upon such subject of risk.

(2) The department shall prescribe a certificate setting forth the terms and conditions of coverage under the state fire and tornado insurance fund. Different forms of certificates may be used for different risks. Such certificates may contain such terms and conditions as the department may prescribe, including, but not limited to, a deductible in order that there be fair allocation of significant losses and the elimination of unnecessary costs in administering the state fire and tornado insurance fund.

Section 5. KRS 56.120 is amended to read as follows:

When the amount of damage has been determined, the State Treasurer shall debit the account of the state fire and tornado insurance fund by that amount and credit[~~ with~~] an equal amount ***to*** the account of the agency that has control or custody of the property damaged, and upon warrant from the Finance and Administration Cabinet, the Treasurer shall pay to the agency the amount so credited to it, for the purpose of repairing the damage or reconstructing or replacing the damaged or destroyed property. If the agency deems it impracticable or undesirable to use the money for repair, reconstruction, or replacement of the property damaged or destroyed, it may, with the approval of the Finance and Administration Cabinet, and subject to the provisions of KRS 56.491, expend said funds for the acquisition, repair, construction, or reconstruction of property similar to the property damaged or destroyed. No debit, credit, or payment made on account of the damage to any one (1) subject of risk, by any one (1) loss, shall be in excess of ***one million dollars ($1,000,000)***[~~five hundred thousand dollars ($500,000)~~], unless the Department of Insurance has effected reinsurance upon the subject of risk such as to limit the liability of the state fire and tornado insurance fund to ***one million dollars ($1,000,000)***[~~five hundred thousand dollars ($500,000)~~], and unless the excess over this amount has actually been paid into the fund by the reinsuring company or companies.

Section 6. KRS 56.140 is amended to read as follows:

(1) The State Treasurer, with approval of every investment by the Finance and Administration Cabinet, may invest the state fire and tornado insurance fund in ***compliance with KRS 42.500***[~~:~~

~~(a) Obligations of the United States government, its agencies, and Kentucky cities of the first, second, third, and fourth classes;~~

~~(b) Warrants issued on the State Treasurer;~~

~~(c) State bonds, including bridge revenue bonds issued under KRS 180.010 to 180.250;~~

~~(d) Bonds or other evidences of indebtedness of any domestic corporation that is an agent or instrumentality of the state or of any city, county, or school district of the state, secured by a mortgage on real estate in Kentucky that has been conveyed to the corporation by any city, county, school district, or state educational institution, and which the corporation has leased and given the option to lease to the city, county, school district, or state educational institution, with option in the lessee to purchase the property, or an interest therein, on the payment of the aggregate sum of the bond issue, plus the expenses incident to the issuance of the bonds and the formation and dissolution of the corporation, subject to credit of the amounts paid as rental for such property; and~~

~~(e) School bonds issued by cities under KRS 162.120 to 162.290~~].

(2) The Finance and Administration Cabinet shall not approve investments on which there has ever been a default in payment of principal or interest preceding the date of acceptance by the State Treasurer.

(3) All income from investments credited to the state fire and tornado insurance fund shall be credited to that fund.

Section 7. KRS 56.150 is amended to read as follows:

The Department of Insurance and the State Treasurer may employ such assistance and incur such expenses as are necessary to carry out the purposes of KRS 56.070 to 56.180, subject to approval in advance by the Finance and Administration Cabinet. All such expenses may be debited against the state fire and tornado insurance fund, and paid on warrant of the Finance and Administration Cabinet***.***[~~, but~~] The total of such expenses during any fiscal year shall not exceed ten percent (10%) of the total ***calculated standard premiums, prior to the application of any experience credits***[~~receipts of the fund~~] during the same fiscal year. If such expenses are incurred at a time when there is not a sufficient amount in the fund to pay them, they shall constitute a prior claim to be paid out of the first ***premium*** receipts of the fund thereafter before any damages on account of insured losses are paid.

Section 8. KRS 56.160 is amended to read as follows:

With the approval of the Finance and Administration Cabinet, the Department of Insurance may contract with any responsible ***property and casualty insurer***[~~fire and tornado insurance or reinsurance company~~] authorized to do business in Kentucky to reinsure any subject of risk of which the total valuation has been fixed at over ***one million dollars ($1,000,000)***[~~five hundred thousand dollars ($500,000)~~] in such a way as to limit the net liability of the state fire and tornado insurance fund with respect to such subject of risk to ***one million dollars ($1,000,000)***[~~five hundred thousand dollars ($500,000)~~]. The premium for reinsurance shall be paid out of the state fire and tornado insurance fund, on warrant of the Finance and Administration Cabinet.

HB 313, AN ACT relating to county consolidation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

It is the intent of the General Assembly to encourage county governments to perform at the highest levels of efficiency and economy while providing the highest standards of governmental services possible to their citizens. It is also the belief of the General Assembly that, in order to attain these high standards of efficiency, economy, and service and to ensure the ongoing improvement in the quality of life of all citizens of the Commonwealth, all county governments must be permitted by the action of their fiscal courts or at the request of their citizens to consider consolidation with adjoining counties for these purposes. The General Assembly, in support of those counties that take action to consolidate, further intends to provide financial and technical assistance for those counties through legislative action in order to ease the transitions brought by consolidation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) Any two (2) or more adjoining counties may consolidate.

(2) (a) An action to consolidate a county may be initiated by:

1. The adoption of an ordinance by a fiscal court stating the intent of the county to consider consolidation with another county or counties; or

2. The petitioning of the fiscal court by residents who are registered voters within the county.

(b) The number of signatures required for a petition to consolidate shall equal twenty percent (20%) of the total

number of persons voting in the last presidential election. All petitions shall be certified as sufficient by the county clerk. All petitions shall include the printed name, address, age, and signature of each registered voter signing the petition, and the date of the signature. The petition shall not be circulated for a period of time exceeding one hundred twenty (120) days. If the petition exceeds the one hundred twenty (120) days time frame it shall become void. Any petition containing irregularities shall be returned to the petitioner who shall have ten (10) days to correct the irregularities and resubmit the petition to the county judge/executive for final certification.

(c) Upon receipt of a certified petition or the final adoption of an ordinance stating the intent of a county to consolidate with another county or counties, the county judge/executive in the initiating county shall within ten (10) working days notify by certified mail, return receipt requested, the fiscal courts of the adjoining counties proposed for consolidation and shall notify the residents of those counties by legal public notice of the action taken in the initiating county. If no action is taken within one hundred twenty (120) days from the receipt of the certified letter to present a petition or to enact an ordinance in the adjoining counties which are proposed to be consolidated as provided in paragraphs (a) and (b) of this subsection, the actions in the initiating county shall be considered void.

(3) All ordinances relating to county consolidation shall be adopted in accordance with the provisions of KRS 67.076, 67.077, 67.855, 67A.070, and 67C.103. Upon enactment, the ordinances shall be published in accordance with the provisions of KRS Chapter 424.

(4) (a) If within one hundred twenty (120) days of the public notice in an adjoining county proposed for consolidation, a petition is received or an ordinance is enacted stating the intent of the county to consolidate with a county or counties as provided in subsection (2)(a) and (2)(b) of this section, a special election shall be held within ninety (90) days on the same day within each county, to determine the will of the people in each separate county.

(b) The county judge/executive shall in each county proposed for consolidation deliver a certified copy of the enacted ordinance or the final certified petition to the county clerk of the county in which the election is to be held. The county clerk in each county proposed for consolidation shall prepare the following question to be placed before the voters: "Are you in favor of being consolidated with the county (or counties) of .... which will form a new county?" The advertisement of the election by the sheriff shall be in accordance with KRS 242.040. The advertisement shall include the date of the election and the question to be voted upon.

(c) If a simple majority of those persons voting in each county vote in favor of the consolidation, the counties shall become consolidated. If less than a simple majority of those persons voting in each county favor the consolidation, then the issue of consolidation will become void for all purposes in each county.

(5) All general costs associated with the conduct of special elections relating to a proposed consolidation of counties shall be paid by the state. The publication costs for legal public notice of the election and the costs for legal public notices in adjoining counties proposed for consolidation as required in subsection (2)(c) of this section shall be considered a general cost of the election, but no other advertising shall be paid for by state funds.

(6) Upon certification of an affirmative action to consolidate counties, no further action shall be made to alter the territory of the newly consolidated county for a period of ten (10) years.

SECTION 3. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

The fiscal court of any new county created by the consolidation of two (2) or more counties shall not take any legal action until the expiration of the current terms of office of all elected county officials holding office when the counties were consolidated and the election and certification of the officials of the newly consolidated county. The officers of the newly consolidated county shall be elected and take office in the same manner and at the same time as other elected county officials.

SECTION 4. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) Upon certification of an election to consolidate counties, the county judge/executive of each county shall, within thirty (30) days after the certification, appoint six (6) voters from the county to serve as members of a transition committee for the purpose of dividing the area of the new county into districts for the election of members of the fiscal court for the new county. The appointments for each county shall be made so that they reflect as closely as possible the ratio of each of the two (2) major political parties to the total county population. The committee members representing each county shall begin meeting jointly within fifteen (15) days after their appointment and proceed to divide the area of the new county into not less than three (3) nor more than eight (8) magisterial districts, each to be as nearly equal in area and population as possible. The committee shall also select not fewer than two (2) names nor more than five (5) names for the new county, which shall be submitted to the voters for their selection at the same time as the election for the members of the new fiscal court. The report of the transition committee shall be filed with the county judge/executive of each consolidating county not less than sixty (60) days after the appointment of the members. The members of the transition committee shall select a chairman from among themselves to preside over the meetings of the group.

(2) If, at the expiration of sixty (60) days after the initial meeting of the transition committee, a majority of the members have failed to agree upon the selection of the names for the proposed county or fail to agree upon a plan to divide the new county into magisterial districts, the Governor shall appoint an additional person to act as chairman of the committee. The Governor's appointee shall not vote on any question except in the case of a tie vote, to aid in the

selection of the potential new county names, the formation of magisterial districts, or any other relevant issue for the ballot. The report of the committee shall be filed with the county judge/executive of each county not less than thirty (30) days after appointment of the new chairman.

SECTION 5. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) All taxes in effect in each county in the fiscal year immediately preceding the beginning of the term of the new fiscal court shall remain in effect until action is taken to change or remove them by the new fiscal court.

(2) The territory formerly embraced within each of the previously existing counties is hereby made into a separate special taxing district for the repayment of financial obligations and debts of the previously existing counties. The new fiscal court has the power to levy and collect taxes in these special taxing districts in addition to its other powers to levy and collect taxes. The separate debt of each special taxing district shall be a first lien on the territory formerly embraced within that previously existing county. The money collected as taxes for each of the special taxing districts shall be kept separate and shall first be used as payment of the debts of the previously existing county that formerly embraced the territory of that specific taxing district. The special taxing district shall cease to exist upon repayment of all debts and financial obligations of the previously existing county.

(3) Any surplus funds in existence in a county on the date of a consolidation shall be spent in the territory of the previously existing county in which the surplus funds were raised. The surplus funds shall first be expended towards the regular repayment of any financial obligations or debts of the territory formerly embraced within each of the previously existing counties that were to be paid in full within five (5) years. The schedule for the repayment of debts or financial obligations that were contracted for a period of more than five (5) years shall be at the discretion of the newly formed county. Any surplus funds remaining after the payment of obligations and debts shall be spent by the fiscal court of the newly formed county in the territory of the previously existing county from which the taxes were collected.

SECTION 6. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

Voters shall select the county seat of the newly consolidated county from one (1) of the previously existing county seats. The question on the selection of the new county seat shall be submitted to the voters at the same time as the election for the members of the new fiscal court and the selection of the name for the newly consolidated county. The county seat shall remain at this location for a period of no less than ten (10) years after which time the citizens may remove the county seat only as provided by KRS 67.020. The remaining county government buildings in the county seats of the previously existing counties shall be maintained as branch offices of the newly formed counties for a period of no less than ten (10) years after which the fiscal court may make a decision as to their necessity and use.

SECTION 7. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

Where the previously existing counties were in the same representative, senatorial, judicial circuit, or congressional district or districts, the newly consolidated county shall remain in the same district or districts. Where the previously existing counties were not in the same judicial circuit or judicial district, the newly consolidated county shall be placed in the same district in which the previously existing county which had the largest population was located. If each of the previously existing counties was a separate district, the new county shall be divided into such districts, each district to be contiguous with the boundary lines of the previously existing counties.

SECTION 8. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

The Department for Local Government shall promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A to guarantee the awarding of preference points on applications for Small Cities Community Development Block Grant funds made by newly consolidated counties. The Department for Local Government shall provide technical and advisory assistance to newly consolidated counties. Funds awarded under this provision shall be expended in compliance with all state and federal guidelines governing those funds.

Section 9. The following KRS sections are repealed:

67.190 Petition for consolidation of counties -- Notice.

67.200 New petition when petition not filed in time.

67.210 Order for election on question of consolidation.

67.220 Advertisement of election.

67.230 General election laws to apply.

67.240 Certification of results of election -- Appointment of commissions to lay off justices' districts and select choice of names and county seats.

67.250 Report of commissions -- Election of officers for new county.

67.260 Election to choose name and county seat of new county -- Period between elections on consolidation.

67.270 Debts of old counties -- Separate taxes to pay.

67.280 Assignment of new county to various election districts.

67.290 Records and property of old counties.

67.310 Disposition of county administrative agencies.

HB 322, AN ACT relating to capital projects.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 164A.555 TO 164A.630 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provision of law to the contrary, institutions shall not sell, give, lease, or in any other way transfer housing or dining system facilities or any other asset worth more than four hundred thousand dollars ($400,000) to any corporate or other entity, if the terms of the sale, gift, lease, or other transfer provide that those assets shall or may be used after the sale, gift, lease, or other transfer primarily to benefit the institution or its students, unless the General Assembly enacts legislation specifically authorizing the sale, gift, lease, or other transfer. Prior to entering into any sale, gift, lease or other transfer, an institution shall submit the proposed transaction to the president of the Council on Postsecondary Education who shall transmit to the institution a written determination as to whether the transaction is subject to the provisions of this section.

(2) Any corporate or other entity that receives assets under this section shall submit an annual audited financial report to the Governor, the secretary of the Finance and Administration Cabinet, the Auditor of Public Accounts, the director of the Legislative Research Commission, the institution, and the president of the Council on Postsecondary Education. The audits shall be prepared in accordance with generally accepted accounting principles by certified accountants. The Auditor of Public Accounts shall prescribe the minimum scope of the audits.

SECTION 2. A NEW SECTION OF KRS 164A.555 TO 164A.630 IS CREATED TO READ AS FOLLOWS:

(1) Any institution that will benefit from a capital project undertaken by a corporate, governmental, or other entity, either after transferring assets under Section 1 of this Act or pursuant to an agreement under Section 3 of this Act, shall comply with the following:

(a) The institution shall not use, directly or indirectly, any funds appropriated by the General Assembly to that institution to cover any costs incurred by the corporate, governmental, or other entity, for construction, maintenance, operation, administration, or debt service on the project without a specific General Assembly authorization; and

(b) After the project is approved, the institution shall submit a proposed memorandum of agreement first to the Finance and Administration Cabinet and the Council on Postsecondary Education for their review and action, and then subsequently to the Capital Projects and Bond Oversight Committee for their review and action.

(2) Any corporate, governmental, or other entity that proposes to undertake a capital project that will primarily benefit an institution or its students, either after receiving assets under Section 1 of this Act or pursuant to an agreement under Section 3 of this Act, shall be bound by the following statutes:

(a) KRS Chapter 7A, as it relates to capital planning. The entity shall submit its capital needs to the institution to be included in the institution's plan to be submitted to the Capital Planning Advisory Board;

(b) KRS 48.050 and KRS 164.020(11), as they relate to capital project requests;

(c) KRS Chapter 45A, as it relates to the procurement of construction services;

(d) KRS 164A.590, as it relates to the contracting for architectural and engineering services;

(e) KRS 337.505 to 337.550; and

(f) KRS 61.800 to 61.884 and 61.991, to the extent that the records or meetings relate to the capital project benefiting the institution or its students.

Section 3. KRS 45.763 is amended to read as follows:

(1) Notwithstanding any statutory provisions to the contrary, any state agency as defined in KRS 7A.010, institution of higher education defined as an institution in KRS 164A.550, or affiliated corporation as defined in KRS 164A.550, shall obtain authorization from the General Assembly prior to entering into an agreement identified in subsection (2) of this section. The General Assembly authorization shall occur only when the General Assembly enacts legislation specifically authorizing the agreement.

(2) General Assembly authorization shall be required for an agreement for the use, purchase, or acceptance of real property of any value, or equipment with a value in excess of four hundred thousand dollars ($400,000), *or to have capital construction or renovation services performed,* if:

(a) The agreement provides that the state, a state agency, institution of higher education, or affiliated corporation *may or* will become the owner of the real property or equipment at any time*, or will benefit from the capital construction or renovation*; and

(b) All or any portion of the purchase price of the real property or equipment*, or the capital construction or renovation,* is funded through the issuance of a financial instrument which requires payment of principal and interest over time, including, but not limited to, notes, bonds, securities, and certificates of participation, regardless of the identity of the issuer.

(3) Prior to issuing any financial instrument in connection with an agreement under this section, the entity providing the financing shall furnish to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on

Appropriations and Revenue, and make available to the public, a listing of all costs associated, either directly or indirectly, with the issuance. The costs shall be itemized and shall include the economic benefits received or anticipated to be received by any other person from any source in return for services relating to the issuance.

Section 4. KRS 61.805 is amended to read as follows:

As used in KRS 61.805 to 61.850, unless the context otherwise requires:

(1) "Meeting" means all gatherings of every kind, including video teleconferences, regardless of where the meeting is held, and whether regular or special and informational or casual gatherings held in anticipation of or in conjunction with a regular or special meeting;

(2) "Public agency" means:

(a) Every state or local government board, commission, and authority;

(b) Every state or local legislative board, commission, and committee;

(c) Every county and city governing body, council, school district board, special district board, and municipal corporation;

(d) Every state or local government agency, including the policy-making board of an institution of education, created by or pursuant to state or local statute, executive order, ordinance, resolution, or other legislative act;

(e) Any body created by or pursuant to state or local statute, executive order, ordinance, resolution, or other legislative act in the legislative or executive branch of government;

(f) Any entity when the majority of its governing body is appointed by a "public agency" as defined in paragraph (a), (b), (c), (d), (e), (g), or (h) of this subsection, a member or employee of a "public agency," a state or local officer, or any combination thereof;

(g) Any board, commission, committee, subcommittee, ad hoc committee, advisory committee, council, or agency, except for a committee of a hospital medical staff or a committee formed for the purpose of evaluating the qualifications of public agency employees, established, created, and controlled by a "public agency" as defined in paragraph (a), (b), (c), (d), (e), (f), or (h) of this subsection;[~~ and~~]

(h) Any interagency body of two (2) or more public agencies where each "public agency" is defined in paragraph (a), (b), (c), (d), (e), (f), or (g) of this subsection; ***and***

(i) Any corporate, governmental, or other entity, to the extent subject to subsection (2)(f) of Section 2 of this Act;

(3) "Action taken" means a collective decision, a commitment or promise to make a positive or negative decision, or an actual vote by a majority of the members of the governmental body; and

(4) "Member" means a member of the governing body of the public agency and does not include employees or licensees of the agency.

(5) "Video teleconference" means one (1) meeting, occurring in two (2) or more locations, where individuals can see and hear each other by means of video and audio equipment.

Section 5. KRS 61.870 is amended to read as follows:

As used in KRS 61.872 to 61.884, unless the context requires otherwise:

(1) "Public agency" means:

(a) Every state or local government officer;

(b) Every state or local government department, division, bureau, board, commission, and authority;

(c) Every state or local legislative board, commission, committee, and officer;

(d) Every county and city governing body, council, school district board, special district board, and municipal corporation;

(e) Every state or local court or judicial agency;

(f) Every state or local government agency, including the policy-making board of an institution of education, created by or pursuant to state or local statute, executive order, ordinance, resolution, or other legislative act;

(g) Any body created by state or local authority in any branch of government;

(h) Any body which derives at least twenty-five percent (25%) of its funds expended by it in the Commonwealth of Kentucky from state or local authority funds;

(i) Any entity where the majority of its governing body is appointed by a public agency as defined in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (j), or (k) of this subsection; by a member or employee of such a public agency; or by any combination thereof;

(j) Any board, commission, committee, subcommittee, ad hoc committee, advisory committee, council, or agency, except for a committee of a hospital medical staff, established, created, and controlled by a public agency as defined in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (i), or (k) of this subsection;[~~ and~~]

(k) Any interagency body of two (2) or more public agencies where each public agency is defined in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (i), or (j) of this subsection; ***and***

(l) Any corporate, governmental, or other entity, to the extent subject to subsection (2)(f) of Section 2 of this Act;

(2) "Public record" means all books, papers, maps, photographs, cards, tapes, discs, diskettes, recordings, software, or other documentation regardless of physical form or characteristics, which are prepared, owned, used, in the possession of or retained by a public agency. "Public record" shall not include any records owned or maintained by or for a body referred to in subsection (1)(h) of this section that are not related to functions, activities, programs, or operations funded by state or local authority;

(3) (a) "Software" means the program code which makes a computer system function, but does not include that portion of the program code which contains public records exempted from inspection as provided by KRS 61.878 or specific addresses of files, passwords, access codes, user identifications, or any other mechanism for controlling the security or restricting access to public records in the public agency's computer system.

(b) "Software" consists of the operating system, application programs, procedures, routines, and subroutines such as translators and utility programs, but does not include that material which is prohibited from disclosure or copying by a license agreement between a public agency and an outside entity which supplied the material to the agency;

(4) (a) "Commercial purpose" means the direct or indirect use of any part of a public record or records, in any form, for sale, resale, solicitation, rent, or lease of a service, or any use by which the user expects a profit either through commission, salary, or fee.

(b) "Commercial purpose" shall not include:

1. Publication or related use of a public record by a newspaper or periodical;
2. Use of a public record by a radio or television station in its news or other informational programs; or
3. Use of a public record in the preparation for prosecution or defense of litigation, or claims settlement by the parties to such action, or the attorneys representing the parties;

(5) "Official custodian" means the chief administrative officer or any other officer or employee of a public agency who is responsible for the maintenance, care and keeping of public records, regardless of whether such records are in his actual personal custody and control;

(6) "Custodian" means the official custodian or any authorized person having personal custody and control of public records;

(7) "Media" means the physical material in or on which records may be stored or represented, and which may include, but is not limited to paper, microform, disks, diskettes, optical disks, magnetic tapes, and cards; and

(8) "Mechanical processing" means any operation or other procedure which is transacted on a machine, and which may include, but is not limited to a copier, computer, recorder or tape processor, or other automated device.

Section 6. KRS 164A.575 is amended to read as follows:

(1) The governing boards of each institution may elect to purchase interest in real property, contractual services, rentals of all types, supplies, materials, equipment, printing, and services, except that competitive bids may not be required for:

(a) Contractual services where no competition exists;

(b) Food, clothing, equipment, supplies, or other materials to be used in laboratory and experimental studies;

(c) Instructional materials available from only one (1) source;

(d) Where rates are fixed by law or ordinance;

(e) Library books;

(f) Commercial items that are purchased for resale;

(g) Professional, technical, scientific, or artistic services, but contracts shall be submitted in accordance with KRS 45A.690 to 45A.725;

(h) All other commodities, equipment, and services which, in the reasonable discretion of the board, are available from only one (1) source; and

(i) Interests in real property.

(2) Nothing in this section shall deprive the boards from negotiating with vendors who maintain a General Services Administration price agreement with the United States of America or any agency thereof, provided, however, that no contract executed under this provision shall authorize a price higher than is contained in the contract between General Services Administration and the vendor affected.

(3) The governing board shall require the institution to take and maintain inventories of plant and equipment.

(4) The governing board shall establish procedures to identify items of common general usage among all departments to foster volume purchasing. It shall establish and enforce schedules for purchasing supplies, materials, and equipment.

(5) The governing board shall have power to salvage, to exchange, and to condemn supplies, equipment, and real property.

(6) Upon the approval of the secretary of the Finance and Administration Cabinet, the governing board may purchase or otherwise acquire all real property determined to be needed for the institution's use. The amount paid shall not exceed the

appraised value as determined by a qualified appraiser or the value set by the eminent domain procedure. Any real property acquired under this section shall be in name of the Commonwealth for the use and benefit of the institution.

(7) ***Except as provided in Section 1 of this Act,*** the governing board shall sell or otherwise dispose of all real or personal property of the institution which is not needed or has become unsuitable for public use, or would be more suitable consistent with the public interest for some other use, as determined by the board. The determination of the board shall be set forth in an order, and shall be reached only after review of a written request by the institution desiring to dispose of the property. Such request shall describe the property and state the reasons why the institution believes disposal should be effected. All instruments required by law to be recorded which convey any interest in any such real property so disposed of shall be executed and signed by the appropriate officer of the board. Unless the board deems it in the best interest of the institution to proceed otherwise, all such real or personal property shall be sold either by invitation of sealed bids or by public auction; provided, however, that the selling price of any interest in real property shall not be less than the appraised value thereof as determined by the Finance and Administration Cabinet or the Transportation Cabinet for such requirements of that department.

(8) Real property or any interest therein may, subject to the provisions of KRS Chapter 45A, be purchased, leased, or otherwise acquired from any officer or employee of any board of the institution, based upon a written application by the grantor or lessor approved by the board, that the employee has not either himself or through any other person influenced or attempted to influence either the board requesting the purchase of the property. In any case in which such an acquisition is consummated, the said request and finding shall be recorded and kept by the Secretary of State along with the other documents recorded pursuant to the provisions of KRS Chapter 56.

(9) For capital construction projects, the bidding may be on a total design-bid basis, a package system commonly referred to as "turnkey," or construction management, whichever in the judgment of the board offers the lowest real cost to the taxpayer. Bids shall be reviewed by the institution's engineering staff to assure quality and value, and compliance with bid procedures. All specifications shall be written to promote competition.

(10) The governing board shall attempt in every practicable way to insure the institution's supplying its real needs at the lowest possible cost. To accomplish this the board may enter into cooperative agreements with other public or private institutions of education or health care.

(11) The governing board shall have control and supervision over all purchases of energy consuming equipment, supplies, and related equipment purchased or acquired by the institution, and shall designate by regulation the manner in which an energy consuming item will be purchased so as to promote energy conservation and acquisition of energy efficient products.

(12) The governing board may negotiate directly for the purchase of contractual services, supplies, materials, or equipment in bona fide emergencies regardless of estimated costs. The existence of the emergency must be fully explained, in writing, by the vice president responsible for business affairs and such explanation must be approved by the university president. The letter and approval shall be filed with the record of all such purchases. Where practical, standard specifications shall be followed in making emergency purchases. A good faith effort shall be made to effect a competitively established price for emergency purchases.

(13) The acquisition and disposition of real property for the University of Kentucky Community College System and capital construction projects under KRS 45.750(1)(f) on real property for the use of the University of Kentucky Community College System shall be approved by the Kentucky Community and Technical College System board of regents, which shall transmit the action to the University of Kentucky board of trustees for approval.

Section 7. KRS 337.010 is amended to read as follows:

(1) As used in this chapter, unless the context requires otherwise:

(a) "Commissioner" means commissioner of the Department of Workplace Standards under the direction and supervision of the secretary of the Labor Cabinet;

(b) "Department" means Department of Workplace Standards in the Labor Cabinet;

(c) "Wages" includes any compensation due to an employee by reason of his employment, including salaries, commissions, vested vacation pay, overtime pay, severance or dismissal pay, earned bonuses, and any other similar advantages agreed upon by the employer and the employee or provided to employees as an established policy. The wages shall be payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to the allowances made in this chapter;

(d) "Employer" is any person, either individual, corporation, partnership, agency, or firm who employs an employee and includes any person, either individual, corporation, partnership, agency, or firm acting directly or indirectly in the interest of an employer in relation to an employee; and

(e) "Employee" is any person employed by or suffered or permitted to work for an employer.

(2) As used in KRS 337.275 to 337.325, 337.345, and KRS 337.385 to 337.405, unless the context requires otherwise:

(a) "Employee" is any person employed by or suffered or permitted to work for an employer, but shall not include:

1. Any individual employed in agriculture;

2. Any individual employed in a bona fide executive, administrative, supervisory, or professional capacity, or in the capacity of outside salesman, or as an outside collector as the terms are defined by administrative regulations of the commissioner;

3. Any individual employed by the United States;

4. Any individual employed in domestic service in or about a private home. The provisions of this section shall include individuals employed in domestic service in or about the home of an employer where there is more than one (1) domestic servant regularly employed;

5. Any individual classified and given a certificate by the commissioner showing a status of learner, apprentice, worker with a disability, sheltered workshop employee, and student under administrative procedures and administrative regulations prescribed and promulgated by the commissioner. This certificate shall authorize employment at the wages, less than the established fixed minimum fair wage rates, and for the period of time fixed by the commissioner and stated in the certificate issued to the person;

6. Employees of retail stores, service industries, hotels, motels, and restaurant operations whose average annual gross volume of sales made for business done is less than ninety-five thousand dollars ($95,000) for the five (5) preceding years exclusive of excise taxes at the retail level or if the employee is the parent, spouse, child, or other member of his employer's immediate family;

7. Any individual employed as a baby-sitter in an employer's home, or an individual employed as a companion by a sick, convalescing, or elderly person or by the person's immediate family, to care for that sick, convalescing, or elderly person and whose principal duties do not include housekeeping;

8. Any individual engaged in the delivery of newspapers to the consumer;

9. Any individual subject to the provisions of KRS Chapters 7, 16, 27A, 30A, and 18A provided that the secretary of the Personnel Cabinet shall have the authority to prescribe by administrative regulation those emergency employees, or others, who shall receive overtime pay rates necessary for the efficient operation of government and the protection of affected employees;

10. Any employee employed by an establishment which is an organized nonprofit camp, religious, or nonprofit educational conference center, if it does not operate for more than seven (7) months in any calendar year; or

11. Any employee whose function is to provide twenty-four (24) hour residential care on the employer's premises in a parental role to children who are primarily dependent, neglected, and abused and who are in the care of private, nonprofit childcaring facilities licensed by the Cabinet for Families and Children under KRS 199.640 to 199.670.

(b) "Agriculture" means farming in all its branches, including cultivation and tillage of the soil; dairying; production, cultivation, growing, and harvesting of any agricultural or horticultural commodity; raising of livestock, bees, furbearing animals, or poultry; and any practice, including any forestry or lumbering operations, performed on a farm in conjunction with farming operations, including preparation and delivery of produce to storage, to market, or to carriers for transportation to market;

(c) "Gratuity" means voluntary monetary contribution received by an employee from a guest, patron, or customer for services rendered;

(d) "Tipped employee" means any employee engaged in an occupation in which he customarily and regularly receives more than thirty dollars ($30) per month in tips; and

(e) "U.S.C." means the United States Code.

(3) As used in KRS 337.505 to 337.550, unless the context requires otherwise:

(a) "Construction" includes construction, reconstruction, improvement, enlargement, alteration, or repair of any public works project by contract fairly estimated to cost more than two hundred fifty thousand dollars ($250,000). No public works project, if procured under a single contract and subject to the requirements of this section, may be divided into multiple contracts of lesser value to avoid compliance with the provisions of this section;

(b) "Contractor" and "subcontractor" include any superintendent, foreman, or other authorized agent of any contractor or subcontractor who is in charge of the construction of the public works or who is in charge of the employment or payment of the employees of the contractor or subcontractor who are employed in performing the work to be done or being done by the contractor or subcontractor under the particular contract with any public authority;

(c) 1. "Locality" shall be determined by the commissioner. The commissioner may designate more than one (1) county as a single locality, but if more than one (1) county is designated, the multicounty locality shall not extend beyond the boundaries of a state Senatorial district. The commissioner shall not designate less than an entire county as a locality. If there is not available in the locality a sufficient number of competent, skilled laborers, workmen, and mechanics to efficiently and properly construct the public works, "locality" shall include any other locality nearest the one in which the work of construction is to be performed and from which such available skilled laborers, workmen, and mechanics may be obtained in sufficient number to perform the work; and

2. "Locality" with respect to contracts advertised or awarded by the Transportation Cabinet of this state shall be determined by the secretary of the Transportation Cabinet. The secretary may designate any number of counties as constituting a single locality. The secretary may also designate all counties of the Commonwealth as a single locality, but he shall not designate less than an entire county as a locality;

(d) "Public authority" means any officer, board, or commission of this state, or any political subdivision or department thereof in the state, or any institution supported in whole or in part by public funds, including publicly owned or controlled corporations, authorized by law to enter into any contract for the construction of public works and any nonprofit corporation funded to act as an agency and instrumentality of the government agency in connection with the construction of public works, ***any corporate or other entity to the extent subject to subsection (2)(e) of Section 2 of this Act,*** and any "private provider", as defined in KRS 197.500, which enters into any contract for the construction of an "adult correctional facility", as defined in KRS 197.500; and

(e) "Public works" includes all buildings, roads, streets, alleys, sewers, ditches, sewage disposal plants, waterworks, and all other structures or work, including "adult correctional facilities", as defined in KRS 197.500, constructed under contract with any public authority.

(4) If the federal government or any of its agencies furnishes by loans or grants any part of the funds used in constructing public works, and if the federal government or its agencies prescribe predetermined prevailing minimum wages to be paid to mechanics, workmen, and laborers employed in the construction of the public works, and if KRS 337.505 to 337.550 is also applicable, those wages in each classification which are higher shall prevail.

Section 8. The provisions of this Act apply to capital projects involving assets transferred or agreements entered into after January 1, 2000.

HB 349, AN ACT relating to the Capitol Restoration Trust Fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "trust fund" means the Capitol Restoration Trust Fund.

(2) There is hereby created within the State Treasury a separate trust fund to be administered by the Finance and Administration Cabinet, with advice from the Historic Properties Advisory Commission.

(a) The Finance and Administration Cabinet shall likewise seek advice on the appropriate disbursement of proceeds from the trust fund from the Speaker of the House and the President of the Senate.

(b) Proceeds from the trust fund shall be used for the sole purpose of the restoration and renovation of the Kentucky State Capitol.

(c) Proceeds in the trust fund shall not lapse to the general fund, and all interest, dividends and other income derived from the investment of the proceeds of the trust fund shall be credited to the trust fund.

(3) The Commonwealth of Kentucky may accept private and corporate contributions to the trust fund as well as appropriations from both the state and federal government.

(4) Funds from the trust fund may be used for any and all restoration and renovation expenses of the Kentucky State Capitol, including, but not limited to, the acquisition of period furniture, window treatments, historic reproduction lighting and furniture, historical reproduction floor coverings, historic paint stenciling as well as conservation of artwork, scagliola, and any other reasonable expenses associated with the Capitol restoration and renovation.

(5) The Finance and Administration Cabinet shall publish an annual financial report of the activities of the trust fund and shall provide a copy of that report to the Governor, the Legislative Research Commission, the Speaker of the House, and the President of the Senate.

HB 449, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 12.330 is amended to read as follows:

(1) As used in KRS 12.330 to 12.334, "KY-ASAP" means the Kentucky Agency for Substance Abuse Policy.

(2) The Kentucky Agency for Substance Abuse Policy is created and attached for administrative purposes to the Office of the Governor. KY-ASAP shall be headed by an executive director with experience in overseeing programs involving tobacco and substance abuse and shall have other staff as necessary to conduct its affairs.

(3) KY-ASAP shall administer an endowment from interest generated through funds appropriated or gifts, donations, or funds received from any source. KY-ASAP may expend endowment principal, if necessary in its discretion, to carry out the purposes of KRS 12.330 to 12.334. These expenditures from the endowment principal are hereby appropriated for this purpose.

(4) (a) The[~~ eighteen (18) member~~] KY-ASAP Board is created to oversee the activities of KY-ASAP. Membership of the

board shall be appointed by the Governor and shall consist of the following:

1. One (1) member representing the Kentucky Family Resource Youth Services Coalition, or a designee;
2. One (1) member representing the Kentucky Health Department Association, or a designee;
3. The secretary of the Cabinet for Health Services, or designee;
4. The secretary of the Justice Cabinet, or a designee;
5. The secretary of the Cabinet for Families and Children, or a designee;
6. One (1) member representing the Division of Substance Abuse within the Department for Mental Health and Mental Retardation Services, Cabinet for Health Services, or a designee;
7. The commissioner of the Department for Public Health, Cabinet for Health Services, or a designee;
8. The commissioner of the Department of Alcoholic Beverage Control, or a designee;
9. The commissioner of the Department of Education;

10. ***The executive director of the Office of Women's Physical and Mental Health, or a designee;***

11. The director of the Administrative Office of the Courts, or a designee;

12.[~~11.~~] One (1) member representing the Kentucky Association of Regional Programs, or a designee;

13.[~~12.~~] One (1) member representing the Kentucky Heart Association, or a designee;

14.[~~13.~~] One (1) member representing the Kentucky Lung Association, or a designee;

15.[~~14.~~] One (1) member representing the Kentucky Cancer Society, or a designee;

16.[~~15.~~] Two (2) members representing local tobacco addiction and substance abuse advisory and coordination boards; and

17.[~~16.~~] Two (2) members representing private community-based organizations, whether for-profit or nonprofit, with experience in programs involving smoking cessation or prevention or alcohol or substance abuse prevention and treatment.

(b) Members shall serve for a term of four (4) years, may be reappointed, and may serve no more than two (2) consecutive terms. Members shall not be compensated but shall receive reimbursement for expenses incurred while performing board business.

(c) The board shall meet at least quarterly. A quorum of ten (10) members shall be required for the transaction of business. Meetings shall be held at the call of the chair, or upon the written request of two (2) members to the chair.

(d) The board shall:

1. Oversee deposits and expenditures from the endowment;
2. Request, in its discretion, an audit relating to the expenditure of endowment funds;
3. Receive quarterly reports from the executive director regarding KY-ASAP's activities;
4. Progress toward development and implementation of the strategic plan;
5. Recommend to KY-ASAP the most efficient means for using public funds to coordinate, supplement, and support high quality and ongoing programs of all public agencies and private service providers related to smoking cessation and prevention and alcohol and substance abuse prevention and treatment;
6. Recommend matters for review and analysis by KY-ASAP; and
7. Perform other duties as necessary for the oversight of KY-ASAP.

(5) KY-ASAP shall promote the implementation of research-based strategies that target Kentucky's youth and adult populations.

(6) KY-ASAP shall vigorously pursue the philosophy that tobacco in the hands of Kentucky's youth is a drug abuse problem because of the addictive qualities of nicotine, and because tobacco is the most prevalent gateway drug that leads to later and escalated drug and alcohol abuse.

Section 2. KRS 214.554 is amended to read as follows:

(1) There is established within the department a Breast Cancer Screening Program for the purposes of:

(a) Reducing morbidity and mortality from breast cancer in women through early detection and treatment; and

(b) Making breast cancer screening services of high quality and reasonable cost available to women of all income levels throughout the Commonwealth and to women whose economic circumstances or geographic location limits access to breast cancer screening facilities.

(2) Services provided under the Breast Cancer Screening Program may be undertaken by private contract for services or operated by the department and may include the purchase, maintenance, and staffing of a truck, a van, or any other vehicle suitably equipped to perform breast cancer screening. The program may also provide referral services for the benefit of

women for whom further examination or treatment is indicated by the breast cancer screening.

(3) The department may adopt a schedule of income-based fees to be charged for the breast cancer screening. The schedule shall be determined to make screening available to the largest possible number of women throughout the Commonwealth. The department shall, where practical, collect any available insurance proceeds or other reimbursement payable on behalf of any recipient of a breast cancer screening under KRS 214.552 to 214.556 and may adjust the schedule of fees to reflect insurance contributions. All fees collected shall be credited to the fund.

(4) The department may accept any grant or award of funds from the federal government or private sources for carrying out the provisions of KRS 214.552 to 214.556.

(5) For the purpose of developing and monitoring the implementation of guidelines for access to and the quality of the services of the Breast Cancer Screening Program, there is hereby created a Breast Cancer Advisory Committee to the commissioner of the Department for Public Health which shall include the directors of the James Graham Brown Cancer Center and the Lucille Parker Markey Cancer Center, the director of the Kentucky Cancer Registry, ***the executive director of the Office of Women's Physical and Mental Health,*** one (1) radiologist with preference given to one who has been fellowship-trained in breast diagnostics and who shall be appointed by the Governor, one (1) representative of the Kentucky Office of Rural Health appointed by the Governor, one (1) representative of the Kentucky Commission on Women appointed by the Governor, and at least three (3) women who have had breast cancer and who shall be appointed by the Governor.

(6) The commissioner of the Department for Public Health, in consultation with the Breast Cancer Advisory Committee, shall annually, but no later than November 1 of each year, make a report to the Governor, the Legislative Research Commission, and the Interim Joint Committees on Appropriations and Revenue and on Health and Welfare on the:

(a) Implementation and outcome from the Breast Cancer Screening Program including, by geographic region, numbers of persons screened, numbers of cancers detected, referrals for treatment, and reductions in breast cancer morbidity and mortality;

(b) Development of quality assurance guidelines, including timetables, for breast cancer screening under this section, and monitoring of the manner and effect of implementation of those guidelines; and

(c) Funds appropriated, received, and spent for breast cancer control by fiscal year.

Section 3. KRS 222.021 is amended to read as follows:

(1) There is hereby created within the Cabinet for Health Services a Substance Abuse, Pregnancy, and Women of Childbearing Age Work Group. The work group shall carry out the planning and coordinating activities of the Commonwealth with regard to smoking cessation and prevention and substance dependency and abuse among pregnant women and other women of childbearing age.

(2) The work group shall be appointed by the secretary for health services and be composed of, but not restricted to, a representative of the Kentucky Agency for Substance Abuse Policy; Cabinet for Health Services, Department for Public Health, Division of ***Adult***[~~Maternal~~] and Child Health Services; Department for Community Based Services; Department for Mental Health and Mental Retardation Services, Division of Substance Abuse and Division of Mental Health; Department for Medicaid Services; ***Office of Women's Physical and Mental Health;*** Justice Cabinet, Department of State Police, Drug Enforcement, Special Investigations Unit; Department of Education, Division of Program Resources; Office of the Attorney General; Office for a Drug Free Kentucky; Kentucky Commission on Women; Regional Community Mental Health and Mental Retardation System; University of Kentucky Institute on Women and Substance Abuse; University of Louisville, School of Medicine, Department of Pediatrics; University of Kentucky Medical Center, Department of Obstetrics and Gynecology; local or district health department; Kentucky Psychological Association; Kentucky Pharmacists Association; Kentucky Hospital Association; Kentucky Nurses Association; the Kentucky Medical Association; Kentucky Chapter of the National Association of Social Workers; Kentucky Association of Addiction Professionals; Kentucky Prevention Network; Coalition for Women's Substance Abuse Services; Kentucky Women's Advocates; Kentucky Youth Advocates; Kentucky Chapter of the March of Dimes; Foster Parent Association; and the Homeless Coalition.

(3) The Substance Abuse, Pregnancy, and Women of Childbearing Age Work Group shall be chaired jointly by the Director of the Division of Substance Abuse and another member of the work group who has been elected by the membership of the work group. The work group shall meet at least quarterly and shall periodically assess the extent of smoking abuse and alcohol and other substance dependency and abuse among Kentucky women who are pregnant and other women of childbearing age; identify, develop, and coordinate resources available and needed within the Commonwealth for any woman who is pregnant or of childbearing age and at risk of smoking abuse and alcohol and substance dependency or abuse; and identify, develop, and coordinate resources available and needed for infants and children exposed to alcohol, smoking, or drugs in utero or through alcohol, smoking, or drug abuse in the home.

(4) The work group shall make a biennial report, no later than January 1 of each odd-numbered year, of its activities and any recommendations to the Secretary of the Cabinet for Health Services and the Legislative Research Commission.

(5) The provisions of subsections (1) to (4) of this section, creating a Substance Abuse, Pregnancy, and Women of Childbearing Age Work Group shall expire on July 15, 2002. As of that date, the Substance Abuse, Pregnancy, and

Women of Childbearing Age Work Group shall cease to exist.

Section 4. The General Assembly confirms Executive Order 2002-25, dated January 7, 2002, by which the executive director of the Office of Women's Physical and Mental Health is added to the membership of the Breast Cancer Advisory Committee, the Kentucky Agency for Substance Abuse Policy Board, and the Substance Abuse and Pregnancy Work Group, to the extent that it is not otherwise confirmed by the Act.

HCR 42, A CONCURRENT RESOLUTION urging the Legislative Research Commission to adopt the provisions of the Governor's Executive Order 2001-1084 relating to domestic violence and sexual assault in the public workplace.

WHEREAS, as awareness about domestic violence and sexual assault has grown, so has the recognition that these crimes have a major impact in the workplace; and

WHEREAS, domestic violence and sexual assault adversely affect not only the victim and the victim's family but also the victim's employer, managers, and co-workers through the loss of productivity, increased absenteeism, increased health care costs, and employee turnover; and

WHEREAS, the Commonwealth of Kentucky, as an employer, is committed not only to providing a work environment for its employees that is free of violence and intimidation, but also to creating a sensitive and safe environment for those employees who are the victims of domestic violence or sexual assault; and

WHEREAS, the Governor and First Lady have developed a model policy for the executive branch, as set forth in the document "Domestic Violence and Sexual Assault in the Public Workplace: *A Kentucky Model Policy*"; and

WHEREAS, the model policy for the executive branch consists of: (1) zero tolerance toward perpetrators; (2) assistance for victims who need time off for medical appointments, legal assistance, court appearances, relocation, or other arrangements for their personal safety, or who have performance problems as a direct result of the crime against them; and (3) use of prevention and intervention strategies to prevent or minimize the occurrence and devastating effects of these crimes; and

WHEREAS, the Governor, in Executive Order 2001-1084, dated August 24, 2001, established certain principles for program cabinets to follow in implementing the model policy; and

WHEREAS, the Secretary of State, the Attorney General, the State Auditor, the State Treasurer, and the Commissioner of Agriculture have also implemented the policy; and

WHEREAS, the General Assembly likewise is committed to providing a work environment for its employees that is safe from violence and intimidation and that provides a sensitive and safe environment for any employee who is a victim of domestic violence or sexual assault; and

WHEREAS, the General Assembly desires that the Legislative Research Commission continue to refine its policy of zero tolerance toward perpetrators and a safe and secure work environment for its employees; and

WHEREAS, the General Assembly recognizes the value and benefit of prevention and intervention strategies that will not only protect its employees but will also provide a sensitive environment and appropriate assistance for an employee who is a victim;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is hereby urged to join the executive branch and the statewide constitutional officers in adopting for its employees the following provisions of the Governor's Executive Order 2001-1084 relating to implementation of the Kentucky Model Policy for domestic violence and sexual assault in the public workplace:

"(1) The Commonwealth of Kentucky declares that domestic violence and sexual assault are strictly prohibited and constitute a major violation of state policy. Domestic violence and sexual assault include, but are not limited to harassment or the display of violence or threatening behavior that may result in physical or emotional injury to any state employee while in state offices, facilities, work sites, vehicles, or while conducting state business.

(2) All employees who are victims of domestic or sexual violence should have access to immediate assistance. This assistance shall, at a minimum, include: crisis intervention information provided in a private environment for victims and a workplace safety plan that has as its purpose the reduction of risk to the victim and other employees.

(3) All employees deserve consideration when seeking to protect themselves from abuse. All program agencies should allow adjustment of work schedules and the use of accrued or unpaid leave in order to allow a victimized employee to obtain medical treatment, legal assistance, or make other arrangements to ensure safety.

(4) State employees who commit acts of domestic or sexual violence shall be held accountable for their action. Agencies shall take prompt and appropriate disciplinary action against any employee who: misuses state resources to perpetrate domestic or sexual violence; harasses, threatens, or commits an act of domestic or sexual violence in the workplace or while conducting state business or using state resources; is convicted of a crime of domestic violence or a sex crime while on state business or using state resources, or is adjudicated as having violated a civil order of protection due to an incident of domestic or sexual violence when such action has a direct connection to the individual's duties as a state employee.

(5) Penalizing or disciplining employees solely based on their status as a victim of domestic and sexual violence is inappropriate and will not be tolerated.

(6) Agencies shall post resource information on domestic violence and sexual assault in locations where employees can obtain it without having to request it."

HCR 62, A CONCURRENT RESOLUTION confirming the appointment of Sheila Crist Kruzner to the Kentucky Long-Term Policy Research Center Board.

WHEREAS, KRS 7B.030 requires the Governor to appoint six at-large members of the Kentucky Long-Term Policy Research Center Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, by Executive Order 2001-497, dated April 24, 2001, and letter dated April 24, 2001, the Governor appointed Sheila Crist Kruzner, replacing Linda Waggener, Columbia, whose term has expired, and submitted her appointment for legislative confirmation; and

WHEREAS, the House of Representatives and the Senate find that Sheila Crist Kruzner meets the age and residency requirements of KRS 7B.030 and has demonstrated an interest in the well-being and development of the Commonwealth, as required by that statute;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate do confirm the appointment of Sheila Crist Kruzner to the Kentucky Long-Term Policy Research Center Board for a term expiring October 6, 2004.

Section 2. The Clerk of the House of Representatives shall send a copy of this Resolution, and notification of its adoption, to Ms. Sheila Crist Kruzner, 10904 Rosebriar Drive, Union, Kentucky 41091 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report of Committees (Continued)

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

The Committee on Rules reported that **HB 146, HB 149, HCR 38, HB 4, HB 416, HB 445,** and **HB 161** have been posted for passage in the Orders of the Day for February 6, 2002.

Orders of the Day

HB 446, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Arnold moved the adoption of the Committee Substitute to **HB 446**. Agreed.

Representative A. Arnold moved that **HB 446**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 5, 2002, roll call on **HB 446** - Appendix.)

HB 446, by way of Committee Substitute, was passed and the title agreed to.

Representative A. Arnold moved that the vote by which **HB 446**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 86, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Vincent moved the adoption of the Committee Substitute to **HB 86**. Agreed.

Representative Vincent moved the adoption of Floor Amendment No. 4 to **HB 86**. Agreed.

Representative Collins moved the adoption of Floor Amendment No. 2 to **HB 86**. Agreed.

Representative Vincent moved that **HB 86**, by way of Committee substitute, as amended, be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 5, 2002, roll call on **HB 86** - Appendix.)

HB 86, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Vincent moved that the vote by which **HB 86**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 215, with Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riggs moved that **HB 215** be passed.

Representative Lindsay moved the adoption of Floor Amendment No. 3 to **HB 215**. Agreed.

Representative Riggs moved the adoption of Committee Amendment No. 1 to **HB 215**. Agreed.

Representative Riggs moved that **HB 215**, as amended, be passed.

Representative Upchurch moved the adoption of Floor Amendment No. 2 to **HB 215**. Floor Amendment No. 2 to **HB 215** was rejected by voice vote.

On the roll call on the motion that **HB 215** as amended be passed the vote was: **Yeas 52, Nays 43**. (See February 5, 2002, roll call on **HB 215** - Appendix.)

HB 215, as amended, was passed and the title agreed to.

Representative Riggs moved that the vote by which **HB 215**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 283, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nunn moved the adoption of Floor Amendment No. 1 to **HB 283**. Agreed.

Representative Nunn moved that **HB 283**, as amended, be passed.

On the roll call the vote was: **Yeas 99, Nays 0**. (See February 5, 2002, roll call on **HB 283** - Appendix.)

HB 283, as amended, was passed and the title agreed to.

Representative Nunn moved that the vote by which **HB 283**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 108, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Lee moved the adoption of the Committee Substitute to **HB 108**. Agreed.

Representative J. Lee moved that **HB 108**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 5, 2002, roll call on **HB 108** - Appendix.)

HB 108, by way of Committee Substitute, was passed and the title agreed to.

Representative J. Lee moved that the vote by which **HB 108**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 442 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Marzian moved that **HB 442** be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 5, 2002, roll call on **HB 442** - Appendix.)

HB 442 was passed and the title agreed to.

Representative Marzian moved that the vote by which **HB 442** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 124 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Draud moved that **HB 124** be passed.

On the roll call the vote was: **Yeas 89, Nays 3**. (See February 5, 2002, roll call on **HB 124** - Appendix.)

HB 124 was passed and the title agreed to.

Representative Draud moved that the vote by which **HB 124** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 144, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Geveden moved the adoption of the Committee Substitute to **HB 144**. Agreed.

Representative Vincent moved the adoption of Floor Amendment No. 1 to **HB 144**. Agreed.

Representative Geveden moved that **HB 144**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 96, Nays 1**. (See February 5, 2002, roll call on **HB 144** - Appendix.)

HB 144, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Geveden moved that the vote by which **HB 144**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 330 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Miller moved that **HB 330** be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 5, 2002, roll call on **HB 330** - Appendix.)

HB 330 was passed and the title agreed to.

Representative Miller moved that the vote by which **HB 330** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 316, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kerr moved the adoption of the Committee Substitute to **HB 316**. Agreed.

Representative J. Lee moved the adoption of Floor Amendment No. 1 to **HB 316**. Agreed.

Representative Kerr moved that **HB 316**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 5, 2002, roll call on **HB 316** - Appendix.)

HB 316, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Kerr moved that the vote by which **HB 316**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 327 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jenkins moved that **HB 327** be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 5, 2002, roll call on **HB 327** - Appendix.)

HB 327 was passed and the title agreed to.

Representative Jenkins moved that the vote by which **HB 327** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 371, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Webb moved the adoption of the Committee Substitute to **HB 371**. Agreed.

Representative Webb moved that **HB 371**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 86, Nays 5**. (See February 5, 2002, roll call on **HB 371** - Appendix.)

HB 371, by way of Committee Substitute, was passed and the title agreed to.

Representative Webb moved that the vote by which **HB 371**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 387, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nesler moved the adoption of Floor Amendment No. 1 to **HB 387**. Agreed.

Representative Nesler moved that **HB 387**, as amended, be passed.

On the roll call the vote was: **Yeas 93, Nays 2**. (See February 5, 2002, roll call on **HB 387** - Appendix.)

HB 387, as amended, was passed and the title agreed to.

Representative Nesler moved that the vote by which **HB 387**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 448 taken from the Orders of the Day. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Moberly moved that **HB 448** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 5, 2002, roll call on **HB 448** - Appendix.)

HB 448 was passed and the title agreed to.

Representative Moberly moved that the vote by which **HB 448** was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for Introductions of new Bills and Resolutions and Committee Reports. Agreed.

Representative Stumbo moved that the posting be waived on **HJR 30**. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 592, by Representatives P. Clark and Bratcher: AN ACT relating to environmental protection.

HB 593, by Representative Adkins: AN ACT relating to high school athletics.

HB 594, by Representatives Nelson and Heleringer: AN ACT relating to state-sponsored health insurance.

HB 595, by Representative Draud: AN ACT relating to voluntary criminal history checks at nonpublic schools.

HB 596, by Representative Gray: AN ACT relating to compensatory time.

HB 597, by Representative Burch: AN ACT relating to the dispensing of emergency contraceptives.

HB 598, by Representatives Riggs, L. Clark, Callahan, and Barrows: AN ACT relating to antenna towers.

HB 599, by Representative Haydon: AN ACT relating to Haydon reporting on capital projects.

HB 600, by Representative Barrows: AN ACT relating to smart growth.

HB 601, by Representative Wilkey: AN ACT relating to civil actions.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Labor and Industry: **HCR 31, HB 377, HB 557**

Banking and Insurance: **HB 564, HB 563**

Economic Development: **HB 263, HB 474, HB 549**

Education: **HB 553, HB 324**

Elections, Constitutional Amendments, and Intergovernmental Affairs: **HB 482, HB 95, HB 559, HB 318, HB 22, HCR 43**

Health and Welfare: **HB 249, HB 222, HB 569, HB 490, HB 565**

Local Government: **HB 520, HB 478, HB 503**

The Clerk announced that the following Bill has been withdrawn from posting for Committee consideration.

Education: **HB 410**

Motions, Petitions, and Communications (Continued)

Representative Webb moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Webb moved the adoption of the following **Legislative Citation No. 28**.

The House of Representatives of the Commonwealth of Kentucky does hereby adjourn this legislative day in memory and honor of Opal Caldwell Everman and joins with Representative Robin L. Webb in expressing deepest sympathy to the Caldwell and Everman Families and all those who share in the loss of this distinguished citizen. Preceded in death by her adoring parents, Otis and Laura Wellman Caldwell, and her devoted husband, Archie; she is survived by her cherished sons, Ronald and Carl Campbell, a loving brother, Seborn Caldwell, and three grandchildren. This esteemed citizen is remembered on this day for the many and generous contributions she made to her family, friends and community. Opal Caldwell Everman will be deeply missed by all those whose lives were touched by her remarkable presence. Done in Frankfort, Kentucky, this fifth day of February, in the year two thousand and two.

Legislative Citation No. 28 was adopted without objection.

Representative Kerr moved the adoption of the following **HR 114**:

HR 114, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Sterling G. Staggs, Sr.

With deepest respect and admiration, we pay homage and tribute to Sterling G. Staggs, Sr., and we pause in silent reverence for his soul.

WHEREAS, Sterling G. Staggs, Sr., was born on June 11, 1902, a native of Cincinnati, Ohio, and longtime resident of Independence, Kenton County, Kentucky, and he traversed these earthly bounds on November 3, 2001; and

WHEREAS, Sterling G. Staggs, Sr., was the loving son of the late Joel Henry Staggs and Viola Nagel Staggs; he was the devoted husband of Lillian D. Bell Staggs, and he was the loving father of a son, Sterling G. Staggs, Jr., of Fort Thomas, and a daughter, Sandra L. Taylor of Greenville, South Carolina, and he was the proud grandfather of three grandchildren; he was the loving brother of Ronald Staggs of Burlington, and the loving brother of two sisters, Delores Wilson of Elsmere and Maxine Tulley of Erlanger; and

WHEREAS, Sterling G. Staggs, Sr., was an esteemed member of the Northern Kentucky community where he was a college professor and an Independence City Council member, and because of his many contributions to the City of Independence, a park was named and dedicated in his honor in 1995; he was a retired photolithographer with the Donaldson Art Sign Company of Covington, where he made the engraved plates from which signs were made, and he taught the skill at the Ohio Mechanics Institute, a branch of the University of Cincinnati; and

WHEREAS, Sterling G. Staggs, Sr., contributed a great deal to his community, where he was an avid outdoorsman, and he also was scoutmaster of Boy Scout Troop No. 8 for many years; and he was a devout member of Independence Christian Church, where he taught Sunday School, and where he also was a member of the choir and past chairman of the church's general board; and

WHEREAS, the passing of Sterling G. Staggs, Sr., has left a void that cannot be filled, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Sterling G. Staggs, Sr., and extends to his family and many friends its most profound and deepest sympathy. His funeral services were held on November 7, 2001, at Independence Christian Church.

Section 2. The passion, dedication, intelligence, and social consciousness Sterling G. Staggs, Sr., brought to this Commonwealth will never be forgotten.

Section 3. When the House of Representatives adjourns this day, it does so in loving memory and honor of Sterling G. Staggs, Sr.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mr. Sterling G. Staggs, Jr., 33 Canon Ridge, Ft. Thomas, Kentucky 41075.

There being no objection **HR 114** was adopted.

Representative Adkins moved the adoption of the following **HR 103**:

HR 103, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Anthony T. "Tony" Curnutte.

With deepest respect and admiration, we pay homage and tribute to Anthony T. "Tony" Curnutte, and we pause in silent reverence for his soul.

WHEREAS, Anthony T. "Tony" Curnutte was born on May 11, 1962, a native of Ashland, Boyd County, Kentucky, and longtime resident of Catlettsburg, Kentucky, and he traversed these earthly bounds on January 17, 2002; and

WHEREAS, Anthony T. "Tony" Curnutte was the loving son of Watt T. and Connie Wechsler Curnutte, and the loving brother of Lora Williams of Cookeville, Tennessee; he was the devoted husband of Karen Coombs Curnutte, and the adored father of Lauren Curnutte; and

WHEREAS, Anthony T. "Tony" Curnutte was a graduate of Georgetown College and Southern Seminary in Louisville, and at the time of his passing, he was a veteran sportswriter and copy editor at "The Daily Independent" in Ashland; and

WHEREAS, Anthony T. "Tony" Curnutte will be remembered not only for his many accomplishments and the friendships he made and sustained through the years, but also his compassion for and understanding of the common man which he demonstrated daily throughout his life; he was a devout Christian and member of First Baptist Church of Flatwoods, where he was an associate pastor, and he also was the Baptist Student Union campus minister for Ashland Community College; and

WHEREAS, the passing of Anthony T. "Tony" Curnutte has left a void that cannot be filled, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Anthony T. "Tony" Curnutte, and extends to his family and many friends its most profound and deepest sympathy.

Section 2. When the House of Representatives adjourns this day, it does so in loving memory and honor of Anthony T. "Tony" Curnutte.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mrs. Karen Coombs Curnutte, 1164 Miller Street, Raceland, Kentucky 41139.

There being no objection **HR 103** was adopted.

Representative S. Lee moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative S. Lee moved that he be recorded as voting "yea" on **HB 387**. Agreed.

Representative S. Lee moved that he be recorded as voting "nay" on **HB 371**. Agreed.

Representative Jenkins moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Jenkins moved that she be recorded as voting "yea" on **HB 371**. Agreed.

Representative Crall moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Crall moved that he be recorded as voting "yea" on **HB 446, HB 86** and **HB 124**. Agreed.

Representative Westrom moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Westrom moved that she be recorded as voting "yea" on **HB 446**. Agreed.

Representative Palumbo moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Palumbo moved that she be recorded as voting "yea" on **HB 371**. Agreed.

Representative Cherry moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Cherry moved that he be recorded as voting "yea" on **HB 371**. Agreed.

Representative Comer moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Comer moved that his vote be changed from "Yea" to "nay" on **HB 371**. Agreed.

Representative Marcotte moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Marcotte moved that he be recorded as voting "yea" on **HB 442**. Agreed.

Representative Bowling moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bowling moved that he be recorded as voting "yea" on **HB 124**. Agreed.

Representative Mobley moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Mobley moved that he be recorded as voting "yea" on **HB 442**. Agreed.

Representative L. Belcher moved that **HB 219** be withdrawn. Agreed.

Representative Nelson moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Nelson moved that he be recorded as voting "yea" on **HB 57, HB 133, HB 163, HB 152, HB 120, HB 122, HB 339, HB 157, HB 171, HB 196, HB 223, HB 299, HB 338, HB 14, HB 93, HB 177, HB 365, HB 411, HB 164, HB 332, HB 438, HB 36, HB 421,** and **HCR 12**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 5 to **HB 369**, by Representative Collins:

On page 8, line 8, by inserting the following after "***drugs.***": "***The policies of health insurance coverage procured under subsection (2) of this section shall require the policyholder to pay the same copayment for the purchase of the same quantity of drugs regardless of whether the purchase is made through the mail order option provided for in this subsection or at a retail pharmacy.***".

Floor Amendment No. 2 to the Committee Substitute to **HB 4**, by Representative Lindsay:

On page 3, line 25, to delete "***appropriate***" and following "***evidence***" to insert "***of probative value***"

Floor Amendment No. 1 to **HB 149**, by Representative Baugh:

On page 1, after line 6, insert the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 304.14-500 TO 304.14-550 IS CREATED TO READ AS FOLLOWS:

In the event of cancellation of an individual Medicare supplement policy issued, delivered or renewed on or after the effective date of this Act, the insurer shall return promptly the unearned portion of any premium paid. Cancellation shall be without prejudice to any claim originating prior to the effective date of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 304.14-600 TO 304.14-625 IS CREATED TO READ AS FOLLOWS:

In the event of cancellation of an individual long-term care insurance policy issued, delivered or renewed on or after the effective date of this Act, the insurer shall return promptly the unearned portion of any premium paid. Cancellation shall be without prejudice to any claim originating prior to the effective date of this Act.".

Floor Amendment No. 1 to the Committee Substitute to **HB 106**, by Representative C. Belcher:

On page 4, beginning on line 5, after "***shall be***", by deleting the remainder of that line and lines 6 and 7 in their entirety and inserting in lieu thereof: "***retained by the circuit clerk to defray administrative costs associated with this program.***"; and

On page 4, line 8, by deleting "***Administrative Office of the Courts.***"; and

On page 4, lines 12 and 13, by deleting the phrase "***Administrative Office of the Courts***" and inserting in lieu thereof: "***the circuit clerk in the same manner as the fee for an initial card as described in this subsection***".

Floor Amendment No. 1 to the Committee Substitute to **HB 321**, by Representative Graham:

On page 2, line 12, after "***principal***" by inserting a comma "***,***".

Floor Amendment No. 1 to **HB 244**, by Representative Wilkey:

On page 3, line 26, after "purposes." by removing the bracket before and the strikethrough of the text thereafter; and

on line 27, by removing the strikethrough of "~~generators of hazardous waste until June 30,~~" and by inserting "***2004***" and by placing brackets around "~~2002~~" and by removing the strikethrough of "~~. After this date, no further~~"; and

On page 4, line 1, by removing the strikethrough of and the bracket after the text thereon.

Floor Amendment No. 6 to **HB 369**, by Representative Upchurch:

On page 8, line 2, before "***The***" by inserting "***(a)***"; and

On page 8, after line 8, by inserting:

"***(b) Any health insurance company or health maintenance organization providing group health insurance under this section shall annually pay to the Commonwealth an amount equal to the savings resulting from the utilization of the mail order pharmacy option provided for in this subsection. The savings shall be used by the Commonwealth to offset the cost of dependent health care coverage for members of the state group.***".

Floor Amendment No. 7 to **HB 369**, by Representative Upchurch:

On page 8, line 2, before "*The*" by inserting "*(a)*"; and

On page 8, after line 8 by inserting:

"*(b) When a prescription for a controlled substance as defined by KRS 218A.010(4) is delivered or caused to be delivered to a person within the Commonwealth by a pharmacy participating in a program authorized by this subsection, the pharmacist, the pharmacy's employee, or the pharmacy's agent shall verify the identity of the person taking physical possession of the controlled substance by one (1) of the following methods:*

1. Knowing the person;

2. Requiring the presentation of photo identification; or

3. Requiring the presentation of two (2) forms of identification, one (1) of which is government-issued.".

Floor Amendment No. 8 to **HB 369**, by Representative Crall:

On page 8, after line 12, by adding:

"*(16) As a condition of having its drug products covered by a health benefit plan authorized under this section, a pharmaceutical manufacturer shall not discriminate in the pricing of its products to pharmacies that have provider agreements with the plan based solely on the pharmacy's class of trade. This provision shall not interfere with the pharmaceutical manufacturer's ability to offer volume discounts or discounts for prompt payment.*".

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills:

HB 27, Representative P. Clark

HB 97, Representative Gray

HB 163, Representative Stewart

HB 309, Representative Hall

HB 327, Representatives P. Clark, Crenshaw, Horlander, and Meeks

HB 348, Representative Hoffman

HB 354, Representative Westrom

HB 361, Representative Stewart

HB 371, Representatives P. Clark, Hoffman, and Horlander

HB 385, Representatives S. Lee, Stewart, and Tapp

HB 401, Representative Gray

HB 409, Representative Stewart

HB 412, Representative Gray

HB 414, Representative Hoffman

HB 444, Representative Haydon

HB 452, Representative Callahan

HB 454, Representative L. Clark

HB 496, Representatives P. Clark, Damron, Hall, Haydon, and Tapp

HB 542, Representatives Colter, Damron, Marcotte, Nunn, Pasley, Rader, Scott, Siler, and Walton

HB 560, Representative Gray

HB 567, Representative Tapp

HB 572, Representative Nelson

HB 578, Representatives C. Belcher and Dw. Butler.

Announcements

The following meetings were announced:

Budget Review Subcommittee on Transportation: Wednesday, February 6, 2002, canceled

Judiciary: Wednesday, February 6, 2002, noon

Licensing and Occupations: Wednesday, February 6, 2002, regular meeting room

Appropriations and Revenue: Tuesday, February 5, 2002, 10:00 a.m.

Tourism Development and Energy: Wednesday, February 6, 2002, 9:30 a.m., Room 125

Budget Review Subcommittee on General Government: Wednesday, February 6, 2002, 12:30 p.m.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., on Wednesday February 6, 2002.

The motion that the House adjourn until 2:00 p.m., Wednesday, February 6, 2002, was adopted by voice vote.

WEDNESDAY, FEBRUARY 6, 2002

TWENTY-FIRST LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend David Hinson, First Baptist Church, Frankfort, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Ford and Wayne.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of February 5, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Motions, Petitions, and Communications

Representative Heleringer moved that the rules be suspended to grant floor privileges and to act on a Resolution. Agreed.

Introduction of Bills and Resolutions

HR 115, by Representatives Heleringer and Brinkman: A RESOLUTION honoring the Trinity High School Shamrocks, KHSAA Class 4A football champions for 2001.

Motions, Petitions, and Communications (Continued)

Representative Heleringer moved the adoption of the following **HR 115**:

HR 115, A RESOLUTION honoring the Trinity High School Shamrocks, KHSAA Class 4A football champions for 2001.

WHEREAS, over the last 35 years, the Trinity High School Shamrocks have been the most successful team in Kentucky high school football, winning 13 state championships, going undefeated six times, and winning a state-record 50 consecutive games from 1988 to 1991; and

WHEREAS, this season, the Trinity Shamrocks returned to their accustomed spot on top of the Kentucky high school world by winning their first state championship since 1994; and

WHEREAS, Trinity dominated opponents during this championship season, compiling a record of 13 wins against only 1 loss, scoring an average of 47.5 points per game while allowing an average of just 8 points per game; and

WHEREAS, Trinity was even more dominant during its five-game playoff run, defeating opponents by scores of 60-0, 56-14, 59-8, 50-0, and 45-19; and

WHEREAS, Trinity's 45-19 victory over Louisville Male in front of 20,000 fans at the Old Cardinal Stadium in Louisville was highlighted by 33 consecutive Trinity points, which turned a 13-12 Trinity deficit into a 45-13 Trinity blowout; and

WHEREAS, Trinity was led to the championship by head coach Bob Beatty, who in two years at the school has amassed a record of 26 wins against only 3 losses; and

WHEREAS, the individual offensive stars in the championship game for this Trinity team were many and included quarterback Brian Brohm, who passed for a school record 377 yards with three touchdown passes, running back DeQuese May, who rushed for 144 yards and scored four touchdowns, and receivers Alex Hennessey, with four catches for 133 yards and two touchdowns, and TaShawn McBroom, with two catches for 124 yards and a touchdown; and

WHEREAS, the stout Trinity defense was led all year and in the championship game by stalwarts such as Wes Soutar, Jeff Sorg, Ryan Fackler, Mike Snyder, and Charlie Singleton; and

WHEREAS, the championship game victory, like all the endeavors of this Trinity team, was a team effort, and sets a model for youth in achieving and maintaining excellence;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The members of the House of Representatives, both individually and collectively, congratulate Trinity High School, President Dr. Rob Mullen, Principal David Winkler, Head Coach Bob Beatty, and the entire Trinity High School Shamrock football team on their stellar play and great achievements during their run to the 2001 KHSAA Class 4A Football Championship.

Section 2. The Clerk of the House is directed to send a copy of this resolution to Principal David Winkler, Trinity High School, 4011 Shelbyville Road, Louisville Kentucky 40207.

There being no objection **HR 115** was adopted.

Senate Message

Announcing passage of **SB 14**, **SB 45**, and **SB 119**. (Time: 2:10 p.m.)

Introduction of Bills and Resolutions (Continued)

HB 602, by Representatives Wilkey and Denham: AN ACT relating to economic development.

HB 603, by Representative Webb: AN ACT relating to adoption of the Uniform Child Custody Jurisdiction and Enforcement Act.

HB 604, by Representative Treesh: AN ACT relating to property taxes.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HCR 113**

Appropriations and Revenue: **HB 600**

Education: **HB 591, 593, 595**

Elections, Constitutional Amendments, and Intergovernmental Affairs: **HB 588**

Health and Welfare: **HB 597**

Judiciary: **HB 601**

Local Government: **HB 592, 596, 598**

State Government: **HB 589, 590, 594, 599, HJR 111**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Licensing and Occupations: **SB 68, HB 572**

Health and Welfare: **HB 467, HB 291**

Report of Committees

The Committee on Education reported **HB 191**, with Committee Substitute and Committee Amendment attached thereto, **HB 296**, with Committee Substitute attached thereto, **HB 329**, with Committee Substitute attached thereto, **HB 402**, with Committee Substitute attached thereto, **HB 505, HB 522, HB 528,** and **HB 532** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 191, AN ACT relating to the Council on Postsecondary Education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.011 is amended to read as follows:

(1) There is hereby created and established a Council on Postsecondary Education in Kentucky as an agency, instrumentality, and political subdivision of the Commonwealth and a public body corporate and politic having all powers, duties, and

responsibilities as are provided to it by law, appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky. The council shall be composed of the commissioner of education, a faculty member, a student member, ***a representative of the state's independent colleges and universities,*** and thirteen (13) citizen members appointed by the Governor. The citizen members shall be confirmed by the Senate and the House of Representatives under KRS 11.160, and the commissioner of education shall serve as a nonvoting ex officio member. Citizen council members shall be selected from a list of nominees provided to the Governor under the nominating process set forth in KRS 164.005. If the General Assembly is not in session at the time of the appointment, persons appointed shall serve prior to confirmation, but the Governor shall seek the consent of the General Assembly at the next regular session or at an intervening extraordinary session if the matter is included in the call of the General Assembly.

(2) By no later than thirty (30) days after May 30, 1997, the Governor's Postsecondary Education Nominating Committee shall submit nominations to the Governor as set forth in KRS 164.005. On making appointments to the council, the Governor shall assure broad geographical and political representation; assure equal representation of the two (2) sexes, inasmuch as possible; assure no less than proportional representation of the two (2) leading political parties of the Commonwealth based on the state's voter registration; and assure that appointments reflect the minority racial composition of the Commonwealth. In filling vacancies to the council, the Governor shall act so as to provide, inasmuch as possible, equal representation of the two (2) sexes by appointing a member of the sex that is the lesser represented at the time of the appointment. If the remaining membership already has an equal number of males and females, the Governor may appoint a member of either sex. No more than two (2) members of the council shall hold an undergraduate degree from any one (1) Kentucky university, and no more than three (3) voting members of the council shall reside in any one (1) judicial district of the Kentucky Supreme Court as of the date of the appointment. However, change in residency after the date of appointment shall not affect the ability to serve.

(3) One (1) member shall be a full-time faculty member employed at a state institution of postsecondary education. The faculty member shall be appointed to a four (4) year term by the Governor from a list of three (3) nominees selected and submitted by majority vote of the ten (10) faculty members who serve as faculty representatives of the boards of trustees and boards of regents of the nine (9) postsecondary education institutions.

(4) One (1) member shall be enrolled as a full-time student at a state institution of postsecondary education and shall be selected annually in the following manner: not later than June 1 of each year the eight (8) student body presidents of the four (4) year state public institutions of higher education and the two (2) student members to the Kentucky Community and Technical College System shall elect by majority vote three (3) nominees to submit to the Governor. From this list of nominees, the Governor shall appoint a student member.

(5) ***One (1) member shall be selected by the board of the Association of Independent Colleges and Universities to serve a six (6) year term, except that the initial appointment shall be made July 15, 2002, for a term to expire December 31, 2008.***

(6) In filling any vacancies, the Governor shall ensure the continuing representation upon the council of the broad constituencies as set forth in subsection (2) of this section. Vacancies on the council shall be filled for the unexpired term in accordance with the procedures established for the original appointments.

(7)[~~(6)~~] Each citizen member shall serve a term of six (6) years, except the initial appointments shall be as follows:

(a) Two (2) appointments shall expire December 31, 1997;

(b) Three (3) appointments shall expire December 31, 1998;

(c) Two (2) appointments shall expire December 31, 1999;

(d) Two (2) appointments shall expire December 31, 2000;

(e) Two (2) appointments shall expire December 31, 2001; and

(f) Two (2) appointments shall expire December 31, 2002.

(8)[~~(7)~~] Any person, other than the chief state school officer, holding either an elective or appointive state office or who is a member of the governing board of any state university in Kentucky, shall be ineligible for membership or appointment on the council during his term.

(9)[~~(8)~~] The members of the council shall elect the chair and the vice chair of the council from among the council's membership, and the chair and vice chair shall serve at the pleasure of the council. The vice chair shall serve as chair in the absence of the chair.

(10)[~~(9)~~] The council shall meet at least quarterly and at other times upon the call of the chair or a majority of the council.

(11)[~~(10)~~] A quorum shall be a majority of the appointive membership of the council.

(12)[~~(11)~~] A quorum shall be required to organize and conduct the business of the council, except that an affirmative vote of eight (8) or more appointive members of the entire council shall be required to dismiss from employment the president of the council, and to adopt or amend the state strategic postsecondary education agenda.

(13)[~~(12)~~] New appointees to the council shall not serve more than two (2) consecutive terms. Appointees after May 30, 1997, who previously served on the Council of Higher Education may serve two (2) additional full consecutive terms.

The Committee Substitute to **HB 191** is as follows:

HB 191, AN ACT relating to the Council on Postsecondary Education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.001 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Administrator" means the chief executive officer of the institution;

(2) "Adult basic education" means instruction in mathematics, science, social studies, reading, language arts, and related areas to enable individuals to better function in society;

(3) "Benchmarks" means objective measures developed where applicable or practical by the Council on Postsecondary Education to judge the performance of the postsecondary education system and progress toward the goals as stated in KRS 164.003(2);

(4) "Board" or "governing board" means the board of trustees for the University of Kentucky or the University of Louisville, the board of regents for a regional university, or the board of regents for the Kentucky Community and Technical College System;

(5) "Board of regents" means the governing board of each regional university and the Kentucky Community and Technical College System;

(6) "Committee" means the Strategic Committee on Postsecondary Education created in KRS 164.004;

(7) "Council" means the Council on Postsecondary Education created in KRS 164.011;

(8) "Customized training" means training in specific academic areas, work processes, or technical skills that are designed to serve a specific industry or industries to upgrade worker skills;

(9) "Goals" means the six (6) goals specified in KRS 164.003(2);

(10) ***"Independent institution" means a nonpublic postsecondary education institution in Kentucky whose instruction is not solely sectarian in nature, is accredited by a regional accrediting association recognized by the United States Department of Education, and is licensed by the Council on Postsecondary Education;***

(11) "Institution" means a university, college, community college, health technology center, vocational-technical school, technical institute, technical college, technology center, or the Kentucky Community and Technical College System;

(12)[~~(11)~~] "Kentucky Community and Technical College System" means the system composed of two (2) branches, which are:

(a) The Technical Institutions' Branch. This branch includes the postsecondary vocational-technical schools, state technical institutes, health technology centers, and technology centers, formerly known as Kentucky Tech and operated by the Cabinet for Workforce Development; and

(b) The University of Kentucky Community College System, with the exception of the Lexington Community College.

The system also includes institutions created by the board of regents for the Kentucky Community and Technical College System and approved by the General Assembly;

(13)[~~(12)~~] "Literacy" means an individual's ability to read, write, and speak in English and compute and solve problems at levels of proficiency necessary to function on the job and in society to achieve one's goals and develop one's knowledge and potential;

(14)[~~(13)~~] "Lower division academic course" means any academic course offered for college or university credit that is designated as a freshman or sophomore level academic course;

(15)[~~(14)~~] "Nonteaching personnel" means any employee who is a full-time staff member, excluding a president, chancellor, vice president, academic dean, academic department chair, or administrator;

(16)[~~(15)~~] "Postsecondary education system" means the following public institutions: University of Kentucky, University of Louisville, Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, Western Kentucky University, and the Kentucky Community and Technical College System;

(17)[~~(16)~~] "P-16 council" or "council of partners" means a local or state council that is composed of educators from public and private preschools, elementary, secondary, and postsecondary education institutions, local board of education members, and may include community and business representatives that have voluntarily organized themselves for the purpose of improving the alignment and quality of the education continuum from preschool through postsecondary education as well as student achievement at all levels;

(18)[~~(17)~~] "Public" means operated with state support;

(19)[~~(18)~~] "Relative" means a person's father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, or daughter-in-law;

(20)[~~(19)~~] "Remedial education" means any program, course, or activity that is designed specifically for students who have

basic deficiencies in reading, written or oral communication, mathematics, study skills, or other skills necessary to do beginning postsecondary work as defined by the institution;

(21)[~~(20)~~] "Standardized degree program" means a program, approved by the Council on Postsecondary Education, that consists of specific competencies, curriculum, and performance requirements regardless of the providing institution;

(22)[~~(21)~~] "Strategic agenda" means the state strategic postsecondary education agenda described in KRS 164.0203; and

(23)[~~(22)~~] "Technical institution" means an educational institution that offers certificates, diplomas, or technical degrees in technical or occupational-related programs, including a facility called a vocational-technical school, technical institute, health technology center, technology center, technical college, or similar designation.

Section 2. KRS 164.003 is amended to read as follows:

(1) The General Assembly hereby finds that:

(a) The general welfare and material well-being of citizens of the Commonwealth depend in large measure upon the development of a well-educated and highly-trained workforce;

(b) The education and training of the current and future workforce of the Commonwealth can provide its businesses and industries with the competitive edge critical to their success in the global economy and must be improved to provide its citizens the opportunity to achieve a standard of living in excess of the national average; and

(c) The positive advancement of the welfare of the citizens of the Commonwealth through the transmission of knowledge can only be achieved by the incorporation of ethical standards, the historic American moral principles promoted by the nation's Founding Fathers, into Kentucky public instruction, state educational training, and personal development of its teachers, students, and people, and affirms President George Washington's statement in his September 19, 1796, farewell address: "Of all the dispositions and habits which lead to political prosperity, Religion and morality are indispensable."

(2) The General Assembly declares on behalf of the people of the Commonwealth the following goals to be achieved by the year 2020:

(a) A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life;

(b) A major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky;

(c) A premier, nationally recognized metropolitan research university at the University of Louisville;

(d) Regional universities, with at least one (1) nationally recognized program of distinction or one (1) nationally recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average;

(e) A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two (2) year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens; and

(f) An efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.

(3) The achievement of these goals will lead to the development of a society with a standard of living and quality of life that meets or exceeds the national average.

(4) The achievement of these goals will only be accomplished through increased educational attainment at all levels, and contributions to the quality of elementary and secondary education shall be a central responsibility of Kentucky's postsecondary institutions.

(5) The furtherance of these goals is a lawful public purpose that can best be accomplished by a comprehensive system of postsecondary education with single points of accountability that ensure the coordination of programs and efficient use of resources.

(6) The Commonwealth further recognizes that Kentucky's independent institutions offer rich and diverse postsecondary education choices throughout the state. Kentucky's people are best served by a broad array of postsecondary education providers. This vital component of the system will be a full partner in the greater system of postsecondary education.

Section 3. KRS 164.020 is amended to read as follows:

The Council on Postsecondary Education in Kentucky shall:

(1) Develop and implement the strategic agenda with the advice and counsel of the Strategic Committee on Postsecondary Education. The council shall provide for and direct the planning process and subsequent strategic implementation plans based on the strategic agenda as provided in KRS 164.0203;

(2) Revise the strategic agenda and strategic implementation plan with the advice and counsel of the committee as set forth in

KRS 164.004;

(3) Develop a system of public accountability related to the strategic agenda by evaluating the performance and effectiveness of the state's postsecondary system. The council shall prepare a report in conjunction with the accountability reporting described in KRS 164.095, which shall be submitted to the committee, the Governor, and the General Assembly by December 1 annually. This report shall include a description of contributions by postsecondary institutions to the quality of elementary and secondary education in the Commonwealth;

(4) Review, revise, and approve the missions of the state's universities and the Kentucky Community and Technical College System. The Council on Postsecondary Education shall have the final authority to determine the compliance of postsecondary institutions with their academic, service, and research missions;

(5) Establish and ensure that all postsecondary institutions in Kentucky cooperatively provide for an integrated system of postsecondary education. The council shall guard against inappropriate and unnecessary conflict and duplication by promoting transferability of credits and easy access of information among institutions;

(6) Engage in analyses and research to determine the overall needs of postsecondary education and adult education in the Commonwealth;

(7) Develop plans that may be required by federal legislation. The council shall for all purposes of federal legislation relating to planning be considered the "single state agency" as that term may be used in federal legislation. When federal legislation requires additional representation on any "single state agency," the Council on Postsecondary Education shall establish advisory groups necessary to satisfy federal legislative or regulatory guidelines;

(8) Determine tuition and approve the minimum qualifications for admission to the state postsecondary educational system. In determining the tuition for non-Kentucky residents, the council shall consider the fees required of Kentucky students by institutions in adjoining states, the resident fees charged by other states, the total actual per student cost of training in the institutions for which the fees are being determined, and the ratios of Kentucky students to non-Kentucky students comprising the enrollments of the respective institutions, and other factors the council may in its sole discretion deem pertinent;

(9) Devise, establish, and periodically review and revise policies to be used in making recommendations to the Governor for consideration in developing recommendations to the General Assembly for appropriations to the universities, the Kentucky Community and Technical College System, and to support strategies for persons to maintain necessary levels of literacy throughout their lifetimes including, but not limited to, appropriations to the Department for Adult Education and Literacy. The council has sole discretion, with advice of the Strategic Committee on Postsecondary Education and the executive officers of the postsecondary education system, to devise policies that provide for allocation of funds among the universities and the Kentucky Community and Technical College System;

(10) Lead and provide staff support for the biennial budget process as provided under KRS Chapter 48, in cooperation with the committee;

(11) (a) Except as provided in paragraph (b) of this subsection, review and approve all capital construction projects covered by KRS 45.750(1)(f), including real property acquisitions, and regardless of the source of funding for projects or acquisitions. Approval of capital projects and real property acquisitions shall be on a basis consistent with the strategic agenda and the mission of the respective universities and the Kentucky Community and Technical College System.

(b) The organized groups that are establishing community college satellites as branches of existing community colleges in the counties of Laurel, Leslie, and Muhlenberg, and that have substantially obtained cash, pledges, real property, or other commitments to build the satellite at no cost to the Commonwealth, other than operating costs that shall be paid as part of the operating budget of the main community college of which the satellite is a branch, are authorized to begin construction of the satellite on or after January 1, 1998;

(12) Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties;

(13) *Ensure that the state postsecondary system does not unnecessarily duplicate services and programs provided by private postsecondary institutions and shall promote maximum cooperation between the state postsecondary system and private postsecondary institutions. Receive and consider an annual report prepared by the Association of Independent Kentucky Colleges and Universities stating the condition of independent institutions, listing opportunities for more collaboration between the state and independent institutions and other information as appropriate;*

(14) Develop a university track program within the Kentucky Community and Technical College System consisting of sixty (60) hours of instruction that can be transferred and applied toward the requirements for a bachelor's degree at the public universities. The track shall consist of general education courses and pre-major courses as prescribed by the council. Courses in the university track program shall transfer and apply toward the requirements for graduation with a bachelor's degree at all public universities. Successful completion of the university track program shall meet the academic requirement for transfer to a public university as a junior. By fall semester of 1997, requirements for track programs shall be established for all majors and baccalaureate degree programs;

(15)[~~(14)~~] Define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions. The council shall

expedite wherever possible the approval of requests from the Kentucky Community and Technical College System board of regents relating to new certificate, diploma, technical, or associate degree programs of a vocational-technical and occupational nature. Without the consent of the General Assembly, the council shall not abolish or limit the total enrollment of the general program offered at any community college to meet the goal of reasonable access throughout the Commonwealth to a two (2) year course of general studies designed for transfer to a baccalaureate program. This does not restrict or limit the authority of the council, as set forth in this section, to eliminate or make changes in individual programs within that general program;

(16)[~~(15)~~] Eliminate, in its discretion, existing programs or make any changes in existing academic programs at the state's postsecondary educational institutions, taking into consideration these criteria:

(a) Consistency with the institution's mission and the strategic agenda;

(b) Alignment with the priorities in the strategic implementation plan for achieving the strategic agenda;

(c) Elimination of unnecessary duplication of programs within and among institutions; and

(d) Efforts to create cooperative programs with other institutions through traditional means, or by use of distance learning technology and electronic resources, to achieve effective and efficient program delivery;

(17)[~~(16)~~] Ensure the governing board and faculty of all postsecondary education institutions are committed to providing instruction free of discrimination against students who hold political views and opinions contrary to those of the governing board and faculty;

(18)[~~(17)~~] Review proposals and make recommendations to the Governor regarding the establishment of new public community colleges, technical institutions, and new four (4) year colleges;

(19)[~~(18)~~] Postpone the approval of any new program at a state postsecondary educational institution, unless the institution has met its equal educational opportunity goals, as established by the council. In accordance with administrative regulations promulgated by the council, those institutions not meeting the goals shall be able to obtain a temporary waiver, if the institution has made substantial progress toward meeting its equal educational opportunity goals;

(20)[~~(19)~~] Ensure the coordination, transferability, and connectivity of technology among postsecondary institutions in the Commonwealth including the development and implementation of a technology plan as a component of the strategic agenda;

(21)[~~(20)~~] Approve the teacher education programs in the public institutions that comply with standards established by the Education Professional Standards Board pursuant to KRS 161.028;

(22)[~~(21)~~] Constitute the representative agency of the Commonwealth in all matters of postsecondary education of a general and statewide nature which are not otherwise delegated to one (1) or more institutions of postsecondary learning. The responsibility may be exercised through appropriate contractual relationships with individuals or agencies located within or without the Commonwealth. The authority includes, but is not limited to, contractual arrangements for programs of research, specialized training, and cultural enrichment;

(23)[~~(22)~~] Maintain procedures for the approval of a designated receiver to provide for the maintenance of student records of the public institutions of higher education and the colleges as defined in KRS 164.945, and institutions operating pursuant to KRS 165A.310 which offer collegiate level courses for academic credit, which cease to operate. Procedures shall include assurances that, upon proper request, subject to federal and state laws and regulations, copies of student records shall be made available within a reasonable length of time for a minimum fee;

(24)[~~(23)~~] Monitor and transmit a report on compliance with KRS 164.351 to the director of the Legislative Research Commission for distribution to the Health and Welfare Committee;

(25)[~~(24)~~] Develop in cooperation with each state postsecondary educational institution a comprehensive orientation program for new members of the council and the governing boards. The orientation program shall include, but not be limited to, the information concerning the roles of the council, the strategic agenda and the strategic implementation plan, and the respective institution's mission, budget, plans, policies, strengths, and weaknesses;

(26)[~~(25)~~] Develop a financial reporting procedure to be used by all state postsecondary education institutions to ensure uniformity of financial information available to state agencies and the public;

(27)[~~(26)~~] Select and appoint a president of the council under KRS 164.013;

(28)[~~(27)~~] Employ consultants and other persons and employees as may be required for the council's operations, functions, and responsibilities;

(29)[~~(28)~~] Promulgate administrative regulations, in accordance with KRS Chapter 13A, governing its powers, duties, and responsibilities as described in this section;

(30)[~~(29)~~] Prepare and present by January 31 of each year an annual status report on postsecondary education in the Commonwealth to the Governor, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission;

(31) Consider the role, function, and capacity of independent institutions of postsecondary education in developing policies to meet the immediate and future needs of the state. When it is found that independent institutions can meet state needs

effectively, state resources may be used to contract with or otherwise assist independent institutions in meeting these needs;

[~~(30) Ensure that the state postsecondary system does not unnecessarily duplicate services and programs provided by private postsecondary institutions and shall promote maximum cooperation between the state postsecondary system and private postsecondary institutions;~~]

(32)[~~(31)~~] Create advisory groups representing the presidents, faculty, nonteaching staff, and students of the public postsecondary education system and the independent colleges and universities;

(33)[~~(32)~~] Develop a statewide policy to promote employee and faculty development in all postsecondary institutions and in state and locally operated secondary area technology centers through the waiver of tuition for college credit coursework in the public postsecondary education system. Any regular full-time employee of a postsecondary public institution or a state or locally operated secondary area technology center may, with prior administrative approval of the course offering institution, take a maximum of six (6) credit hours per term at any public postsecondary institution. The institution shall waive the tuition up to a maximum of six (6) credit hours per term;

(34)[~~(33)~~] Establish a statewide mission for adult education and develop a twenty (20) year strategy, in partnership with the Department for Adult Education and Literacy, under the provisions of KRS 164.0203 for raising the knowledge and skills of the state's adult population. The council shall:

(a) Promote coordination of programs and responsibilities linked to the issue of adult education with the Department for Adult Education and Literacy and with other agencies and institutions;

(b) Facilitate the development of strategies to increase the knowledge and skills of adults in all counties by promoting the efficient and effective coordination of all available education and training resources;

(c) Lead a statewide public information and marketing campaign to convey the critical nature of Kentucky's adult literacy challenge and to reach adults and employers with practical information about available education and training opportunities;

(d) Establish standards for adult literacy and monitor progress in achieving the state's adult literacy goals, including existing standards that may have been developed to meet requirements of federal law in conjunction with the Collaborative Center for Literacy Development: Early Childhood through Adulthood; and

(e) Administer the adult education and literacy initiative fund created under KRS 164.041; and

(35)[~~(34)~~] Exercise any other powers, duties, and responsibilities necessary to carry out the purposes of this chapter. Nothing in this chapter shall be construed to grant the Council on Postsecondary Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

Section 4. KRS 164.021 is amended to read as follows:

The president or chief executive officer of each four (4) year state institution of higher learning***,***[~~ and~~] the president of the Kentucky Community and Technical College System***, and the president of the Association of Independent Kentucky Colleges and Universities*** shall serve on an advisory conference for the Council on Postsecondary Education. The Advisory Conference of Presidents will receive the full agenda for each meeting of the council a reasonable time prior to the council meeting and, in the event of viewpoints differing from the Council on Postsecondary Education, an elected spokesperson for the conference may meet with the council and the executive committee to present before the council the institutional positions on such issues. At least once each year the Council on Postsecondary Education will meet with the Advisory Conference of Presidents.

Section 5. KRS 164.746 is amended to read as follows:

(1) The authority shall be governed, all of its powers shall be exercised, and its duties and functions shall be performed by a board of directors. The board shall consist of seven (7) voting members who shall be appointed by the Governor. In addition, the president of the Council on Postsecondary Education, ***the president of the Association of Independent Kentucky Colleges and Universities,*** the State Treasurer, and the secretary of the Department of Finance shall serve as ***voting***[~~nonvoting~~] ex officio members. The term of office of appointed members shall be four (4) years. Each member shall serve for the term for which he is appointed and until his successor is appointed.

(2) Appointments to fill vacancies on the board shall be made in the same manner as regular appointments. The person appointed shall hold the position for the unexpired portion of the term only.

(3) The board shall elect from its voting membership a chairman and chairman-elect who shall each serve for a term of one (1) year. At the conclusion of the chairman's term of office, the chairman-elect shall become chairman for the succeeding year and the board shall elect from its voting membership a new chairman-elect.

(4) Board members shall receive compensation for their services, in the amount of sixty-five dollars ($65) per day, and may be reimbursed for actual and necessary expenses incurred in the performance of their duties under KRS 164.740 to 164.785.

(5) The board shall provide for the holding of regular meetings and special meetings.

(a) A majority of the voting members shall constitute a quorum for the transaction of any business, special meetings shall be called by the chairman in accordance with KRS 61.823, and either the chairman or the chairman-elect shall be present for the transaction of any business.

(b) In lieu of personal attendance by members of the board of directors at the same location, the board of directors may conduct meetings by teleconference or other available technological means suitable for conducting its business. Meetings of the board shall be open and accessible to the public in accordance with KRS 61.805 to 61.850, and any alternate method of conducting a meeting in lieu of personal attendance shall ensure public access.

(6) The board shall adopt bylaws and policies governing its internal affairs and the conduct of its business, and shall adopt administrative regulations pursuant to KRS Chapter 13A, not inconsistent with law, in connection with the administration of the authority's programs and the performance of its functions and duties.

(7) The board may:

(a) Appoint such officers and employees as necessary and may fix their compensation, and shall prescribe their duties notwithstanding personnel limits established by KRS 18A.010 or the biennial budget and its related documents; and

(b) Adopt the provisions of KRS 45A.345 to 45A.460, pursuant to KRS 45A.343.

(8) The Office of the Treasurer and the board of the Kentucky Higher Education Assistance Authority shall work together to jointly market, as appropriate, the Commonwealth Prepaid Tuition Plan and the Savings Plan established in KRS 164A.300.

Section 6. KRS 164.751 is amended to read as follows:

(1) The Kentucky Higher Education Assistance Authority may expend such funds as appropriated and exercise the powers otherwise granted to administer the Kentucky Distinguished Student Recognition and Scholarship Award Program to reward academic excellence among the state's talented students by providing financial assistance to encourage attendance at the state's public universities, nonprofit degree granting colleges, and community colleges. Awards and scholarships shall be offered to students who demonstrate the highest potential for successful college study. Recognition awards shall be awarded only once to an individual and shall come solely from the authority. Scholarships shall be an equal match of funds between the authority and the university and may be offered annually to eligible students.

(2) (a) The Governor shall appoint a nine (9) member selection committee whose members are representative of the geographic regions of the state and have varied university affiliations. Members shall be appointed for a term of four (4) years though the initial appointments may be less than four (4) years to establish staggered terms. The selection committee shall elect a chairman at its first meeting and annually thereafter. The executive director of the authority, or his designee, shall serve as secretary to the committee. The committee shall meet at least semiannually and more often as necessary. Members shall serve without salary but shall be reimbursed for actual and necessary expenses in the same manner as state employees. Members may be reappointed to the committee;

(b) The authority shall promulgate regulations for the administration of the recognition award and scholarship programs. The regulations shall include but not be limited to the following:

1. Eligibility requirements which shall include requirements that students must be Kentucky citizens who have declared an intention to attend a participating institution;
2. Award selection criteria including, but not limited to, the student's rank in his class, grade-point average, leadership and service potential, and the submission of a written essay;
3. Award amounts;
4. Selection committee, qualifications and duties;
5. Fund distribution formula;
6. Application deadlines; and
7. Administrative procedures.

(3) The applicant pool for the recognition and scholarship awards shall be made up of the following Kentucky students:

(a) High school students who take one (1) of the tests required for admission to the state's public institutions of higher education in the spring or summer as a junior or in the fall as a senior shall automatically become part of the applicant pool for awards. Students scoring in the ninety-eighth or ninety-ninth percentile on these tests shall receive invitations to submit applications for a recognition award and a scholarship award;

(b) High school students nominated by the principal of an accredited high school which is not represented by a student described in paragraph (a) of this subsection. The nominees shall receive an invitation to apply for the awards; and

(c) High school graduates who have scores in the ninety-eighth or ninety-ninth percentile on prior years' tests and who have not attended college may apply for the awards.

(4) The authority shall present recognition awards to the highest ranking students in accordance with the award selection criteria. The amount and number of awards shall be determined by the authority and shall depend on the amount of funds available. No more than twenty percent (20%) of the awards shall be awarded to students who choose to attend ***an independent***[~~a nonpublic~~] institution; and

(5) The scholarships shall be an equal match between authority funds and institutional funds which may include any form of gift aid except state grant funds.

Section 7. KRS 164.947 is amended to read as follows:

(1) The Council on Postsecondary Education by regulation shall adopt standards and procedures for the licensing of colleges to ensure that the programs of preparation are comparable to the generally accepted standards of collegiate instruction with respect to faculty, curriculum, facilities, and student cost and that there is full disclosure with respect to the philosophy and purposes of the institutions and their capacity to fulfill these objectives.

(2) Nothing contained in KRS 164.945 to 164.947 is intended in any way nor shall be construed to regulate the stated purpose of ***an independent institution***[~~a nonpublic college~~] or to restrict religious instruction or training in ***an independent institution***[~~a nonpublic college~~].

(3) All colleges as defined in KRS 164.945 shall be required to hold a license issued by the executive director of the Council on Higher Education or his successor, under the provisions of KRS 164.945 to 164.947 and under the regulations of the Council on Higher Education, or its successor. Within ninety (90) days of July 13, 1990, all colleges shall be required to hold licenses.

(4) The designated use of the title "college" or "university" in combination with any series of letters, numbers, or words shall be restricted to the institutions licensed under KRS 164.945 to 164.947 except that new branches, divisions, or additions to existing institutions shall be licensed.

The Committee Amendment No. 1 Title to **HB 191** is as follows:

Amend the title to read: "AN ACT relating to independent institutions of postsecondary education.".

HB 296, AN ACT relating to student loans.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.748 is amended to read as follows:

The board shall have the following powers, functions, and duties:

(1) To provide loan guarantees, upon terms and conditions the board may prescribe within the limitations provided by KRS 164.740 to 164.770, and the federal act in respect of loans to eligible borrowers. The board may require additional security, including endorsers it deems necessary and desirable and is not in contravention of the federal act. The purpose of the loans shall be to assist individuals in meeting the expense of their education.

(2) To enter into agreements and undertakings with the secretary as may be required and necessary pursuant to the federal act in order to constitute the authority as a state agency qualified and empowered to insure student loans within the meaning of the federal act and to qualify insured student loans for interest payments, reimbursement, reinsurance, and other benefits available under the federal act to the authority.

(3) To issue loan guarantees in respect of loans made to eligible borrowers by participating lenders, including the authority. No eligible borrower shall obtain an insured student loan from more than one (1) participating lender without prior approval by the board. No loan guarantee shall be issued, executed, and delivered by the authority unless any insured student loan resulting shall be the subject of agreements pursuant to the federal act by which the insured student loan is made the subject of interest payments, reimbursements, reinsurance, and other benefits to the extent provided by the federal act.

(4) To promulgate administrative regulations pursuant to KRS Chapter 13A pertaining to insured student loans, loan guarantees, loans, and work-study payments and the awarding of grants, scholarships, and honorary scholarships, as provided in KRS 164.740 to 164.785.

(5) To enter into contracts with eligible lenders, approved by the state to lend moneys, upon terms and conditions agreed upon between the authority and the eligible lender, to provide for the administration of student financial assistance programs, including, but not by way of limitation, the authority's program of insured student loans.

(6) To enter into contracts with eligible institutions, upon terms and conditions agreed upon between the authority and the eligible institution, to provide for the administration of student financial assistance programs, including, but not by way of limitation, the authority's program of insured student loans.

(7) To receive funds from any source, public or private, by gift, grant, bequest, loan, or otherwise, either absolutely or in trust, and to expend them, on behalf of the authority and for any of its purposes; and to acquire from any source, public or private, by purchase, lease, gift, bequest, or devise, any property, real, personal, or mixed, absolutely or in trust, and to hold, administer, and dispose of it, on behalf of the authority and for any of its purposes. The authority shall not make its debts payable out of any funds except those of the authority.

(8) To administer federal funds allotted to the state in respect of insured student loans, loan guarantees, loans, work-study, grants, administrative costs, and related matters.

(9) To sue and be sued in the name of the authority and to plead and be impleaded, and to purchase, on behalf of members of the board or officers and employees of the authority, liability insurance for individual protection from liability for acts and

omissions committed in the course and scope of the individual's employment or service.

(10) To collect from individual borrowers loans made by the authority and insured student loans on which the authority has been compelled to meet its loan guarantee obligations following the inability of the participating lender involved to collect the insured student loans.

(11) To gather information on all loans, scholarships, honorary scholarships, grants, and work-study opportunities available to Kentucky residents attending or planning to attend an eligible institution and to disseminate the information through the methods of mass communication necessary to ensure that Kentucky residents are aware of financial resources available to those attending or desiring to attend an eligible institution.

(12) To request reports from each eligible institution or eligible lender necessary for the effective performance of its duties and to publish the information it deems necessary.

(13) To approve, disapprove, limit, suspend, or terminate the participation of, or take emergency action to withhold authority funds and insured student loans from eligible institutions or eligible lenders in programs administered by the board, subject to the provisions of the federal act and this chapter.

(14) To perform other acts necessary or appropriate to carry out effectively the purposes of the authority as provided by KRS 164.740 to 164.785 and KRS 164A.010 to 164A.380.

(15) If any conflict exists between KRS 164.740 to 164.770 and the federal act, which conflict would result in a loss by the authority of any federal funds, including, but not by way of limitation, federal funds made available to the authority under the federal act, including interest payments and reimbursement for insured student loans in default, to promulgate regulations and policies consistent with the federal act not in derogation of the Constitution and general laws of the Commonwealth.

(16) Except where specifically prohibited by law, to secure data from any other Commonwealth of Kentucky agency or instrumentality or from any other source for purposes of verifying information submitted by any student and any student's parents, or others in loco parentis, in applying for or receiving assistance from any program administered by the authority.

(17) To enter into contracts with public or private nonprofit agencies, eligible to hold or insure student loans under the federal act, to provide for the exchange of information, not in contravention of any federal or state law, or the provision of services necessary to the administration of the authority's insured student loan programs.

(18) To enter into contracts with the Kentucky Higher Education Student Loan Corporation as required pursuant to KRS Chapter 164A.

(19) To conduct, in accordance with KRS Chapter 13B, administrative hearings pertaining to any adverse action by the authority affecting participating institutions and lenders, eligible students, and borrowers of loans made by the authority and insured student loans guaranteed by the authority. Wage garnishment hearings and administrative review procedures pertaining to disputes concerning setoff of federal tax refunds shall be exempt under KRS 13B.020 and shall be conducted in accordance with applicable federal law. In an exempt hearing, the board or a hearing officer designated by the board may issue administrative subpoenas for the attendance of witnesses and the production of documents relevant to the issues in dispute. Compliance with the subpoenas shall be enforceable by a court of competent jurisdiction.

(20) To provide upon termination of the retirement plan authorized by Executive Order 75-964 to active and retired employees of the authority who participated in that plan, health insurance premiums and disability insurance benefits as provided to employees who participate in a state-administered retirement system pursuant to KRS 18A.225 to 18A.229, 61.600, and 61.702.

(21) To delegate to the executive director general supervision and direction over the administrative function of the authority and its employees in carrying out the policies, programs, administrative regulations, and directives of the board.

(22) To report the status of a repayment obligation under any program administered by the authority upon request of the recipient of financial aid and to any professional licensing or regulatory agency regarding any recipient of financial aid who seeks initial or renewed licensure to practice a profession.

Section 2. KRS 21A.160 is amended to read as follows:

The Supreme Court has power to provide for the organization, government and membership of the state bar of Kentucky and to adopt rules and regulations to govern conduct and activity of the state bar and its members. ***Rules governing the admission to the practice of law shall include the ineligibility of candidates for admission and for renewal of a license to practice who are not meeting or are in default of a repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority.***

Section 3. KRS 309.083 is amended to read as follows:

An applicant for certification as an alcohol and drug counselor shall pay the board the initial fee for certification, and shall:

(1) Be at least eighteen (18) years of age;

(2) Have obtained a baccalaureate degree, except as provided in KRS 309.084;

(3) Have obtained a master's degree if required by KRS 309.084;

(4) Have completed six thousand (6,000) hours of board-approved experience working with alcohol or drug dependent

persons, three hundred (300) hours of which shall have been under the direct supervision of a certified alcohol and drug counselor who has at least two (2) years of post-certification experience;

(5) Have completed at least two hundred seventy (270) classroom hours of board-approved curriculum;

(6) Have passed a written examination that has been approved by the International Certification Reciprocity Consortium on Alcoholism and Drug Abuse and an oral examination approved by the board;

(7) Have signed an agreement to abide by the standards of practice and code of ethics approved by the board;

(8) Have completed at least six (6) hours of ethics training and two (2) hours of training in the transmission, control, treatment, and prevention of the human immunodeficiency virus;[~~ and~~]

(9) Have submitted two (2) letters of reference from certified alcohol and drug counselors*; and*

(10) Have provided verification that he or she is meeting a repayment obligation under any financial aid program in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority, or that the authority has granted a waiver of the obligation for cause. An applicant who is in default shall be ineligible for licensure until the financial obligation has been satisfied.

Section 4. KRS 309.085 is amended to read as follows:

(1) A certificate issued pursuant to KRS 309.084 shall be renewed every three (3) years upon:

  (a) Payment of the renewal fee as established pursuant to KRS 309.0813;[~~ and~~]

  (b) Completion of continuing education requirements, as established by the board by promulgation of an administrative regulation, not to exceed sixty (60) hours per renewal period*; and*

  (c) Verification that the certificate holder is meeting repayment obligations under any program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority except that ineligibility for this reason may be waived by the authority. A certificate of any person who is in default of an obligation shall not be renewed until the financial obligation is satisfied.

(2) The board shall cancel any certificate not renewed within ninety (90) days after the renewal date; however, the board may reinstate the certificate, upon its holder paying the renewal fee and satisfying the other reinstatement requirements as established by the board by administrative regulation within one (1) year of the anniversary date of issue of renewal.

Section 5. KRS 309.133 is amended to read as follows:

(1) The board shall issue a certificate as a certified professional art therapist to any person who files a completed application, accompanied by the required fees, and who submits satisfactory evidence that the applicant is at least twenty-one (21) years of age, demonstrates professional competency by satisfactorily passing the required examination, is a registered art therapist as defined by the Art Therapy Credentials Board, Inc., is a certified art therapist as defined by the Art Therapy Credentials Board, Inc., and has:

  (a) Received a master's degree or doctoral degree in art therapy that includes six hundred (600) hours of supervised internship experience from an accredited institution and has completed an additional one thousand (1,000) client contact hours of postgraduate experience under appropriate supervision; or

  (b) Received a master's degree or doctoral degree in a related field, has a minimum of twenty-one (21) semester hours of sequential course work in the history, theory, and practice of art therapy, has completed seven hundred (700) hours of supervised internship experience from an accredited institution, and has completed an additional two thousand (2,000) client contact hours of postgraduate experience under appropriate supervision*; and*

  (c) Provided verification that he or she is meeting the repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority, or that the authority has granted a waiver of the obligation. An applicant who has defaulted on an obligation shall be ineligible for licensure until the financial obligation is satisfied.

(2) The board may approve on a case-by-case basis applicants who have a master's degree or a doctoral degree from nonaccredited institutions.

(3) If an applicant has met all of the requirements for certification except satisfactorily passing the required examination, the applicant shall be scheduled to take the next examination following the approval of the examination.

(4) An applicant for certification as a professional art therapist may be certified without examination if the applicant files a completed application within one (1) year of the effective date of the establishment of the board, accompanied by the required fees, and if the board determines that the applicant meets all other requirements for certification as a professional art therapist.

(5) An applicant for certification as a professional art therapist may be certified without examination if the applicant files a completed application within one (1) year of the effective date of the establishment of the board, accompanied by the required fees, and if the board determines that the applicant meets all other requirements for certification as a professional art therapist.

(6) The board may issue a certificate to an applicant without examination if the person possesses a valid regulatory document issued by the appropriate examining board under the laws of any other state or territory of the United States, the District of

Columbia, or any foreign nation that in the judgment of the board has requirements substantially equivalent to or exceeding the requirements in this section.

(7) The board may set criteria for continuing education and supervisory experience.

Section 6. KRS 309.1335 is amended to read as follows:

(1) Each certificate holder shall renew the certificate to practice art therapy biennially by:

(a) Submitting a renewal application on a form provided by the board paying a certificate renewal fee;~~[and]~~

(b) Producing evidence of completion of relevant professional continuing education experience satisfactory to the board and not to exceed forty (40) hours per renewal cycle***; and***

(c) Submitting verification that he or she is fulfilling the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority pursuant to KRS Chapter 164 or 164A or that the authority has granted a waiver of the obligation. A certificate holder who is in default shall be ineligible for licensure until the financial obligation is satisfied.

(2) A ninety (90) day grace period shall be allowed for each certificate holder after the certification period, during which time the certificate may be renewed upon payment of the renewal fee, the late fee, and compliance with all renewal requirements.

(3) Any certificate granted by the board shall be automatically suspended if the holder fails to apply for the certificate renewal pursuant to this section within a period of three (3) months after the renewal deadline; however, any suspended certificate may be restored by the board upon payment of a reinstatement fee not to exceed one hundred dollars ($100) in addition to any unpaid renewal or late fees. Failure to renew a certificate within three (3) months from the date of suspension as provided in this section shall cause the certificate to be automatically revoked. Reinstatement of a revoked certificate shall require the certificate holder to reapply and meet all current standards for certification.

(4) A person certified under the provisions of KRS 309.133 who intends to retire as a certified professional art therapist shall notify the board in writing before the expiration of his current certification. If, within a period of five (5) years from the year of retirement, the certificate holder wishes to resume practice as a certified professional art therapist, he shall notify the board in writing, and upon giving proof of completing the required continuing education and the payment of an amount equivalent to elapsed renewal fees, the certificate shall be restored in full effect.

Section 7. KRS 311.420 is amended to read as follows:

(1) The board shall conduct examinations at least twice a year at such times and places as the board deems convenient for applicants for licenses to practice podiatry in this state, and shall admit to examination any applicant who:

(a) Is at least eighteen (18) years of age;

(b) Is a citizen of the United States and a resident of the State of Kentucky;

(c) Is of good moral character and temperate habits;~~[and]~~

(d) Has completed a course in and graduated from a school or college of podiatry approved by the board***; and***

(e) Has submitted verification that he or she is meeting the repayment obligations under any financial aid program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority, or that the authority has granted a waiver of the obligation for cause. Default on an obligation shall render the applicant ineligible until the financial obligation is satisfied.

(2) The board shall prescribe the time, place, method, manner, scope and content of examinations as relates to KRS 311.380(2); and the board may accept certified, successful National Board of Podiatry examinations in lieu of its written examination.

(3) Applicants for examination shall present their credentials to the board by mail upon forms furnished by the board, and shall receive due notice of the place and date of the examination. Each application shall contain proof of the qualifications required of the applicant, shall be verified by the applicant under oath, and shall be accompanied by an examination fee set by the board.

(4) The board shall issue a license to any person who complies with the provisions of KRS 311.380 to 311.510 and who satisfactorily passes the examination.

(5) The members of the board shall receive no compensation for their services, but shall be paid their traveling and other necessary expenses while employed upon the business of the board.

(6) The board may, in good faith, adopt rules and regulations to license and control those persons who may become formally educated, or by years of employment by a licensed podiatrist, as a podiatric assistant.

(7) The board may utilize such materials, services or facilities as may be made available to it by other state agencies or may contract therefor, to such extent as the board in its discretion, may determine.

Section 8. KRS 311.450 is amended to read as follows:

(1) Every license issued for the practice of podiatry shall expire on June 30 following the date of issuance unless sooner revoked and canceled. ***A license shall not be renewed if a registered podiatrist has not met his or her repayment***

obligation under any financial aid program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority, unless the authority has granted a waiver of the obligation for cause. Default on an obligation shall render an applicant ineligible for licensure until the financial obligation is satisfied.

(2) On or before June 1 of each year, the board shall send notices to all licensed podiatrists in this state, at their last known addresses, advising them that the annual license renewal fee is due on July 1 of each year. Every registered podiatrist shall renew his license on or before July 1 of each year by the payment to the board of an annual license renewal fee which shall be a reasonable fee set by regulation of the board and upon submission of a statement of compliance with the continuing education regulations of the board. The regulations shall include a requirement to complete the course described in KRS 214.610(1) at least one (1) time every ten (10) years, but the board may in its discretion require completion of the course more frequently. If such renewal fee is not paid or such statement of compliance is not submitted on or before July 1, the board shall notify the delinquent licensee by mail at his last known address that such fee and statement are past due and that a delinquent penalty fee is assessed, in addition to the renewal fee and that the renewal fee and penalty must be paid and the statement of compliance submitted on or before January 1. If such fees, penalties and statement are not submitted by January 1, it shall be the duty of the board to suspend or revoke the license for nonpayment of the annual renewal and delinquent fees or for failure to submit the statement of compliance for the current year.

(3) All fees collected under the provisions of KRS 311.380 to 311.510, or the rules and regulations adopted pursuant thereto, shall be paid into the State Treasury, and credited to a trust and agency fund to be used in defraying the costs and expenses in the administration of KRS 311.380 to 311.510 including, but not limited to, salaries and necessary travel expenses. No part of this fund shall revert to the general funds of this Commonwealth.

Section 9. KRS 310.021 is amended to read as follows:

(1) An applicant for licensure as a dietitian shall file a written application on forms provided by the board.

(2) An applicant for licensure as a dietitian shall meet the standards of professional responsibility and practice consistent with those standards of professional responsibility and practice adopted by the American Dietetic Association.

(3) An applicant for licensure as a dietitian shall be a graduate of a baccalaureate or post-baccalaureate degree program, approved by the board, from a United States regionally-accredited college or university with a major course of study in human nutrition, food and nutrition, dietetics, food systems management, or an equivalent major course of study.

(4) An applicant for licensure as a dietitian shall have successfully completed a documented supervised practice experience under the supervision of a registered dietitian who is accredited by the American Dietetic Association.

(5) An applicant for licensure as a dietitian shall have passed the national examination administered by the Commission on Dietetic Registration.

(6) An applicant for licensure as a dietitian shall verify that he or she is meeting the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority under KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation for cause. An applicant who has defaulted on an obligation shall be ineligible for licensure until the financial obligation is satisfied.

Section 10. KRS 310.031 is amended to read as follows:

(1) An applicant for certification as a nutritionist shall file a written application on forms provided by the board.

(2) An applicant for certification as a nutritionist shall:

(a) Be a graduate of a baccalaureate degree program, approved by the board, from a United States regionally-accredited college or university; and

(b) Be a graduate of a master's degree program, approved by the board, in food science, nutrition, or a closely related area to food science or nutrition, and have a minimum of twelve (12) semester hours of graduate credit in human nutrition from a United States regionally-accredited college or university, or

(3) Be qualified for licensure as a licensed dietitian under the provisions of KRS 310.021 and apply to the board for certification as a certified nutritionist.

(4) An applicant for certification as a nutritionist shall provide verification that he or she is meeting the repayment obligations under any financial aid program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority or that the authority has granted a waiver of the obligation for cause. An applicant who has defaulted on an obligation shall be ineligible for licensure until the financial obligation is satisfied.

Section 11. KRS 310.050 is amended to read as follows:

(1) The board, by duly-promulgated administrative regulation, shall establish fees for the application, reinstatement, and renewal of a license or certificate and fees for reciprocal and duplicate licensure or certification.

(2) No fee shall exceed fifty ($50).

(3) A license or certificate shall be renewed annually and~~[only]~~ upon timely payment of the renewal fee*,*~~[and]~~ documented successful completion of continuing education consistent with the requirements of the Commission on Dietetic Registration*, and documented evidence of compliance with a repayment obligation under any financial aid program*

provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority. The license shall not be issued to any person who is not meeting or is in default of the financial obligation, unless the authority has granted a waiver of the obligation for cause or until the financial obligation is satisfied.

(4) A licensee or certificate holder who fails to renew his license or certificate within sixty (60) days after renewal becomes due shall have his license or certificate automatically revoked without further notice or hearing. Any person whose license is automatically revoked as provided in this subsection may have his license or certificate reinstated by the board in its discretion upon payment of all past-due renewal fees and a reinstatement fee.

Section 12. KRS 311.565 is amended to read as follows:

(1) The board may:

(a) Exercise all the administrative functions of the state in the prevention of empiricism and in the regulation of the practice of medicine and osteopathy which shall include, but not be limited to, promulgation of reasonable administrative regulations enabling the board to regulate the conduct of its licensees;

(b) Promulgate reasonable administrative regulations establishing moral, physical, intellectual, educational, scientific, technical, and professional qualifications of applicants for licenses and permits that may be issued by the board***. The administrative regulations shall include provisions regarding the ineligibility of applicants who are not meeting or who are in default of repayment obligations under any program administered by the Kentucky Higher Education Assistance Authority as provided in KRS Chapter 164 and 164A***;

(c) Issue, deny, suspend, limit, restrict, and revoke any licenses or permits that may be issued by the board, and to reprimand or to place licensees on probation, in compliance with the provisions of KRS 311.530 to 311.620;

(d) Appoint an executive director and assistant executive directors and fix their compensation. The executive director shall oversee the work of the board, shall be authorized to discharge the duties of the secretary, as provided by KRS 311.530 to 311.620, and shall carry out the duties of the executive director as set forth elsewhere in this chapter;

(e) Appoint a general counsel and assistant general counsel and fix their compensation;

(f) Appoint investigatory personnel and fix their compensation;

(g) Appoint one (1) or more hearing officers, who need not be members of the board, and fix their compensation. Every hearing officer shall be vested with the full and complete power and authority of the board to schedule and conduct hearings on behalf of and in the name of the board on all matters referred for hearing by the board or secretary thereof, including, among other things, proceedings for placing licensees on probation and for limitation, suspension, and revocation of licenses. All administrative hearings conducted by the board, a member of the board, or a hearing officer appointed by the board, shall be conducted in accordance with KRS Chapter 13B. No hearing officer shall be empowered to place any licensee on probation or to issue, refuse, suspend, limit, or revoke any license;

(h) Appoint committees of licensees, who need not be board members, to review issues of public or medical interest before the board and to make recommendations to the board on the issues;

(i) Promulgate administrative regulations to promote the efficient and fair conduct of disciplinary proceedings;

(j) Promulgate a code of conduct governing the practice of medicine and osteopathy, which shall be based upon generally-recognized principles of professional ethical conduct;

(k) Utilize the services and facilities of professional organizations, and procure and receive the assistance and recommendations of professional organizations in administering KRS 311.530 to 311.620;

(l) Make its personnel and facilities available to other governmental entities under mutually agreeable terms and conditions;

(m) Issue regular licenses without further testing by endorsement from another state having qualifications and standards at least as high as those of this state or by endorsement from the National Board of Medical Examiners, the National Board of Examiners for Osteopathic Physicians and Surgeons, the National Gaint Committee of Preregistration Physician Training Programs, or any approved successors thereof;

(n) Issue and renew regular licenses to practice medicine or osteopathy in accordance with KRS 311.530 to 311.620 and any reasonable regulations of the board;

(o) Issue and renew, or refuse to issue or renew, or cancel and terminate limited licenses pursuant to administrative regulations promulgated by the board; provided however, no person who held a limited license for institutional practice or general practice as of September 1, 1972, shall be denied the renewal of that limited license for nondisciplinary reasons;

(p) Appoint examiners, who need not be members of the board, and employ or contract with the Federation of State Medical Boards of the United States, Inc., or the National Board of Medical Examiners or other organizations, agencies, or individuals to prepare examination questions and grade examination papers;

(q) Determine the schools, colleges, universities, institutions, and training acceptable in connection with licensure under KRS 311.530 to 311.620;

(r) Prescribe the time, place, method, manner, scope, and content of examinations, but at least two (2) examinations shall be held annually;

(s) Prescribe all forms which it considers appropriate, and require the submission of photographs, fingerprints, and personal history data;

(t) Prescribe and collect reasonable fees and charges for examinations, directories, and the issuance and renewal of licenses and permits; and

(u) Impose fines of not greater than five thousand dollars ($5,000) per violation upon a finding pursuant to disciplinary proceedings that the licensee has violated any provision of KRS 311.595 to 311.597 or duly-promulgated disciplinary regulation of the board.

(2) The board shall develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by a physician licensed by the board. The guidelines shall include investigation, inquiry, and hearing procedures which ensure that the process does not revictimize the alleged victim or cause harm if a physician is falsely accused.

(3) The board, the hearing officer, and investigators hired by the board shall receive training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedure in sex offense cases, and effective intervention with victims and offenders.

Section 13. KRS 312.085 is amended to read as follows:

(1) Any persons desiring to practice chiropractic in this state shall make application to the board, through its executive secretary, in the form and in the manner established by the board by the promulgation of administrative regulations, at least thirty (30) days prior to any meeting held for examinations by the board. Each applicant shall have satisfactorily completed not less than sixty (60) semester credit hours of study from a college or university accredited by the Southern Association of Colleges and Universities or an accrediting agency recognized by the Southern Association of Colleges and Universities or any successor to the powers of either and is a graduate of an accredited chiropractic college accredited by the Council on Chiropractic Education or their successors, and which maintains a standard and reputability approved by the board.

(2) The board may by administrative regulation recommend a two-year pre-chiropractic course of instruction to be completed prior to entry into chiropractic college. The board may by administrative regulation establish a preceptorship program where students or graduates of accredited chiropractic colleges as stated in this section may work with and under the direction and supervision of a licensed doctor of chiropractic prior to the taking of the appropriate licensing examination.

(3) Applications shall be made and signed in applicant's own handwriting, and shall be sworn to and before an officer authorized to administer oaths, and shall recite the history of the applicant as to his educational advantages, his experience in matters pertaining to knowledge of the care of the sick, his length of study of chiropractic, what collateral branches he has studied, the length of time he has been engaged in clinical practice, accompanying same with a diploma, or diplomas awarded to applicant by a college or colleges in which such studies were pursued. Certificates of attendance from the college or colleges from which he is a graduate, stating dates of matriculation, graduation, and number of months and hours in attendance shall accompany the application, with satisfactory evidence of good character and reputation. No license shall be issued to any person convicted of a felony unless he has been pardoned. ***No license shall be issued to any person who is not meeting or who has defaulted on a repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority as provided in KRS Chapter 164 or 164A until the financial obligation is satisfied or the authority has granted a waiver of the obligation for cause.***

(4) Application for examination may be made on or before September 1, 1992, by persons who, prior to March 1, 1992, had submitted application for licensure to the board and who graduated between the years 1976 and 1991, from a chiropractic college which on January 1, 1992, is accredited by a specialized accrediting agency recognized by the United States Office of Education. The board shall administer an appropriate licensing examination prior to November 1, 1992. Persons licensed under this subsection shall complete twenty-four (24) hours of continuing chiropractic education during the first year of their licensure.

Section 14. KRS 312.175 is amended to read as follows:

(1) After July 14, 1992, all persons licensed to practice chiropractic in this state shall, on or before the first day of March, annually hereafter renew his license and pay a renewal fee of not more than one hundred dollars ($100) for each nonresident licensee and not more than two hundred dollars ($200) for each resident licensee each year to the board. In addition to the payment of the renewal fee, the licensee so applying for a license renewal shall furnish to the board satisfactory evidence that he has attended an educational program in the year preceding each application for renewal. Satisfactory evidence of attendance of postgraduate study at an institution approved by the board shall be considered equivalent. Any education shall include completion of the course described in KRS 214.610(1) at least one (1) time every ten (10) years, but the board may in its discretion require completion of the course more frequently. ***The licensee shall provide verification that he or she is meeting or has met the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority provided in KRS Chapter 164 and 164A, or that the authority has granted a waiver of the obligation for cause. Default on a financial aid repayment obligation shall***

render the licensee ineligible for renewal until the financial obligation is satisfied. Provided, however, that licenses may be renewed by the board, at its discretion, and the applicant may be excused from paying the renewal fee or attending the annual educational program, or both, in instances where the applicant submits an affidavit to the board evidencing that he, for good cause assigned, suffered a hardship which prevented the applicant from renewing the license or attending the educational program at the proper time.

(2) The executive secretary of the board shall send a written notice to every person holding a valid license to practice chiropractic within this state at least thirty (30) days prior to the first day of March in each year, directed to the last known address of the licensee, and shall enclose with the notice proper blank forms for application for annual license renewal. The executive secretary shall, within thirty (30) days, notify every person failing to renew his license after it is due that he is delinquent and is subject to a late penalty of one hundred dollars ($100). If the licensee fails to renew his license within ninety (90) days after the mailing of the delinquent notice then his license shall be revoked for nonrenewal. Any licensee whose license has been revoked for failure to renew his license may have his license restored upon the payment of a restoration fee not to exceed two hundred dollars ($200) for each delinquent year or any part thereof in addition to the renewal fee of not more than three hundred dollars ($300) and upon presentation of satisfactory evidence of postgraduate study of a standard approved by the state board or upon a showing that he is an exception as provided for in subsection (1) of this section. Any licensee whose license has been revoked for more than four (4) years for failure to renew his license may have his license restored after satisfactorily passing the examination as provided in KRS 312.115~~[and]~~ upon payment of the regular application fee ***and upon verifying his or her payment status on student loans as provided in subsection (1) of this section***.

Section 15. KRS 313.040 is amended to read as follows:

(1) An applicant for a license to practice dentistry shall be of good moral character and at least eighteen (18) years of age at the time of making the application. The application shall be accompanied by evidence satisfactory to the board that the applicant:

(a) Has completed the requirements of KRS 214.615(1);~~[and]~~

(b) Is a graduate of and has a diploma from a reputable dental college, school or department of a reputable university, rated as acceptable by the board***; and***

(c) Is fulfilling a repayment obligation of any financial aid program administered by the Kentucky Higher Education Assistance Authority provided in KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation for cause. An applicant who has defaulted on an obligation shall be ineligible for licensure until the financial obligation is satisfied.

The board shall rate dental colleges, schools, or departments of a university, or accept the ratings issued by accredited bodies approved by it. The application shall be made to the board in writing. It shall be accompanied by an examination fee of fifty dollars ($50), payable to the secretary-treasurer.

(2) No person shall file or attempt to file as his own the diploma or license of another, or a forged affidavit of identification or qualification.

Section 16. KRS 313.080 is amended to read as follows:

(1) Each person who is licensed to practice dentistry in Kentucky shall, by the thirty-first day of December of each odd-numbered year, register with the board and maintain satisfactory evidence of completion of continuing education as provided in this section. The registration shall be made on a form prescribed by the board and furnished by the board's executive director, and shall include the licensee's name, address, license number, and any other available information that the board may consider necessary. All registrations shall be in effect for the two (2) year period beginning on the first day of January of the following even-numbered year and ending on the last day of December of the following odd-numbered year.

(2) By December 31 of each biennial licensing period as provided in subsection (1) of this section, every dentist licensed to practice in this state shall return to the board evidence satisfactory to the board that the dentist has accumulated a sufficient number of points for continuing dental education in accordance with a schedule of points which shall be adopted by the board. However, that the board, in its discretion, may make exceptions to the point requirement for continuing dental education for any hardship or other extenuating circumstances that the board deems appropriate. The continuing dental education shall include completion of the course described in KRS 214.610(1) at least one (1) time every ten (10) years, but the board may in its discretion require completion of the course more frequently.

(3) A dentist who is not meeting or has defaulted on the repayment obligation under any financial aid program provided by KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority shall be ineligible for the renewal of the license, unless the authority has granted a waiver of the obligation for cause or until the financial obligation is satisfied.

(4) By December 31 of each biennial licensing period as provided in subsection (1) of this section, every dentist licensed to practice in this state shall return to the board the renewal notice properly signed and a license fee in the amount prescribed by the board. The dentist shall thereupon receive a license renewal certificate, if the dentist has also complied with the requirements of subsection (2) of this section. The board shall fix the license fee at an amount as is necessary to maintain a revolving fund at an approximate level of one hundred fifty thousand dollars ($150,000). The license fee for each licensing period shall be set by the board. Notice of the amount of license renewal fee shall be given to each dentist licensed in the state by the board not later than thirty (30) days before the end of the renewal period.

(5)[~~(4)~~] Any license granted by the board shall be automatically suspended if the holder fails to submit a properly completed renewal application to the board, with payment of the renewal fee, as required in this section. For purposes of this section, any renewal application shall be deemed timely submitted if it is delivered to the board office by December 31, or duly mailed and postmarked by that date. Any license thus suspended may be restored by the board upon the payment to the board of the biennial registration fee, and in addition thereto, a reinstatement fee of fifty dollars ($50) within one (1) year after the suspension.

(6)[~~(5)~~] Each dentist licensed under this chapter shall notify the board in writing of any change in the person's name, office address, or employment within ten (10) days after the change has taken place.

Section 17. KRS 313.290 is amended to read as follows:

Any person of good moral character over eighteen (18) years of age who is a graduate of an accredited high school or the equivalent, has successfully completed a training program in a school of dental hygiene that is accredited by the Council on Dental Education of the American Dental Association and approved by the board***,***[~~ and~~] has fulfilled the requirements of KRS 214.615(1), ***and is fulfilling the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority as provided in KRS Chapter 164 or 164A unless the obligation has been waived for cause by the authority,*** shall be eligible to take the examination for the practice of dental hygiene. ***Default on a financial aid repayment obligation shall render the person ineligible to take the examination until the financial obligation is satisfied.***

Section 18. KRS 313.305 is amended to read as follows:

(1) Each person who is licensed to practice dental hygiene in the Commonwealth shall, by the thirty-first day of December of each even-numbered year, register with the board and maintain satisfactory evidence of completion of continuing education as provided in this section. The registration shall be made on a form prescribed by the board and furnished by the board's executive director and shall include the licensee's name, address, license number, and any other available information that the board may consider necessary. All registrations shall be in effect for the two (2) year period beginning on the first day of January of the following odd-numbered year and ending on the last day of December of the following even-numbered year.

(2) By December 31 of each biennial licensing period as provided in subsection (1) of this section, every dental hygienist licensed to practice in this state shall return to the board evidence satisfactory to the board that the dental hygienist has accumulated a sufficient number of points for continuing dental hygienist education in accordance with a schedule of points which shall be adopted by the board. Continuing dental hygienist education shall include completion of the course described in KRS 214.610(1) at least one (1) time every ten (10) years, but the board may in its discretion require completion of the course more frequently. In approving continuing education activities, the board shall develop criteria to determine the actual effect upon the competency of the participant. However, the board, in its discretion, may make exceptions to the point requirement for continuing dental hygienist education for any hardship or other extenuating circumstances that the board deems appropriate.

(3) ***A dental hygienist who is not meeting or has defaulted on the repayment obligation under any financial aid program provided by KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority shall be ineligible for the renewal of the license, until the financial obligation is satisfied or unless the authority has granted a waiver of the obligation for cause.***

(4) By December 31 of each biennial licensing period as provided in subsection (1) of this section, every dental hygienist licensed to practice in this state shall return to the board the hygienist's renewal notice properly signed and a fee prescribed by the board by administrative regulation subject to the provisions of KRS Chapter 13A. The dental hygienist shall then receive a license renewal certificate, if compliance with the requirements of subsection (1) of this section is met. The biennial renewal license fee shall be established by the board in an amount as is necessary to maintain the level of the revolving fund in accordance with the provisions of KRS 313.080. The license fee for each licensing period shall be set biennially by the board. Notice of change in the amount of license renewal fee shall be given to each dental hygienist licensed in the state by the board not later than thirty (30) days prior to each renewal period.

(5)[~~(4)~~] Any license granted by the board shall be suspended if the holder fails to submit a properly completed renewal application to the board, with payment of a renewal fee, as required in this section. For purposes of this section, any renewal application shall be deemed timely submitted if it is delivered to the board office by December 31, or duly mailed and postmarked by that date. Any license thus suspended may be restored by the board upon the payment to the board of the biennial registration fee and, in addition thereto, of a reinstatement fee of twenty-five dollars ($25) within one (1) year after the suspension.

(6)[~~(5)~~] Each dental hygienist licensed to practice under this chapter shall notify the board in writing of any change in the licensee's name, office address, or employment within ten (10) days after the change has taken place.

Section 19. KRS 314.041 is amended to read as follows:

(1) An applicant for a license to practice as a registered nurse shall file with the board a written application for a license and

submit evidence, verified by oath ***that the applicant***:

(a) ~~[That the applicant]~~Has completed the basic curriculum for preparing registered nurses in an approved school of nursing and has completed requirements for graduation therefrom;

(b) Has fulfilled the requirements of KRS 214.615(1);~~[and]~~

(c) Is able to understandably speak and write the English language and to read the English language with comprehension***; and***

(d) Is fulfilling the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority as provided in KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation. Default on the financial aid repayment obligation shall render the applicant ineligible until the financial obligation is satisfied.

(2) An applicant shall be required to pass an examination in any subjects as the board may determine. Application for licensure by examination shall be received by the board at such time as determined by regulation by the board.

(3) Upon successfully completing all requirements for licensure, the board may issue to the applicant a license to practice nursing as a registered nurse, if in the determination of the board the applicant is qualified to practice as a registered nurse in this state.

(4) The board may issue a license to practice nursing as a registered nurse to any applicant who has passed the examination prescribed by the board or its equivalent and been licensed as a registered nurse under the laws of another state, territory, or foreign country, if in the opinion of the board the applicant is qualified to practice as a registered nurse in this state.

(5) The applicant for licensure to practice as a registered nurse shall pay a licensure application fee, and examination fees if applicable, as set forth in a regulation by the board promulgated pursuant to the provisions of KRS Chapter 13A.

(6) Any person who holds a license to practice as a registered nurse in this state shall have the right to use the title "registered nurse" and the abbreviation "R.N." No other person shall assume the title or use the abbreviation or any other words, letters, signs, or figures to indicate that the person using the same is a registered nurse. No person shall practice as a registered nurse unless licensed under this section.

(7) Those persons previously licensed by the board and not engaged in the practice of nursing in the Commonwealth of Kentucky, but desiring to maintain the right to use the title "R.N." may apply and be granted inactive status by the board in accordance with regulations promulgated by the board. Inactive status shall be renewed in accordance with regulations promulgated by the board in accordance with KRS Chapter 13A and those persons granted inactive status shall not be governed by the continuing competency provisions contained in this chapter. A registered nurse on inactive status may petition the board for a renewal of a license to actively practice and shall complete the requirements as established in KRS Chapter 314 and by regulation of the board.

(8) Any person heretofore licensed as a registered nurse under the licensing laws of this state who has allowed the license to lapse by failure to renew may apply for reinstatement of the license under the provisions of this chapter.

(9) A license to practice registered nursing may be limited by the board in accordance with regulations promulgated by the board and as defined in this chapter.

Section 20. KRS 314.042 is amended to read as follows:

(1) An applicant for registration and designation to practice as an advanced registered nurse practitioner shall file with the board a written application for registration and designation and submit evidence, verified by oath, that the applicant***:***

(a) Has completed an organized postbasic program of study and clinical experience acceptable to the board;

(b) Has fulfilled the requirements of KRS 214.615(1);

(c) Is certified by a nationally-established organization or agency recognized by the board to certify registered nurses for advanced nursing practice;

(d) Is fulfilling the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority as provided in KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation. Default on the financial aid repayment obligation shall render the applicant ineligible until the financial obligation is satisfied; and

(e) Is able to understandably speak and write the English language and to read the English language with comprehension.

(2) The board may issue a registration to practice advanced registered nursing to an applicant who holds a current active registered nurse license issued by the board and meets the qualifications of subsection (1) of this section. An advanced registered nurse practitioner shall be designated by the board as a nurse anesthetist, nurse midwife, nurse practitioner, or clinical nurse specialist.

(3) The applicant for registration and designation or renewal thereof to practice as an advanced registered nurse practitioner shall pay a fee to the board as set forth in regulation by the board.

(4) An advanced registered nurse practitioner shall maintain a current active registered nurse license issued by the board and maintain current certification by the appropriate national organization or agency recognized by the board.

(5) Any person who holds a registration and designation to practice as an advanced registered nurse practitioner in this state shall have the right to use the title "advanced registered nurse practitioner" and the abbreviation "ARNP." No other person shall assume the title or use the abbreviation or any other words, letters, signs, or figures to indicate that the person using the same is an advanced registered nurse practitioner. No person shall practice as an advanced registered nurse practitioner unless registered under this section.

(6) Any person heretofore registered as an advanced registered nurse practitioner under the provisions of this chapter who has allowed the registration to lapse may be reinstated on payment of current fee and by meeting the provisions of this chapter and regulations promulgated by the board pursuant to the provisions of KRS Chapter 13A.

(7) The board may authorize a person to practice as an advanced registered nurse practitioner temporarily and pursuant to applicable regulations promulgated by the board pursuant to the provisions of KRS Chapter 13A if the person is awaiting the results of the national certifying examination for the first time or is awaiting licensure by endorsement. A person awaiting the results of the national certifying examination shall use the title "ARNP Applicant" or "ARNP App."

(8) Before an advanced registered nurse practitioner engages in the prescribing or dispensing of nonscheduled legend drugs as authorized by KRS 314.011(8), the advanced registered nurse practitioner shall enter into a written collaborative practice agreement with a physician that defines the scope of the prescriptive authority.

(9) Nothing in this chapter shall be construed as requiring an advanced registered nurse practitioner designated by the board as a nurse anesthetist to enter into a collaborative practice agreement with a physician, pursuant to this chapter or any other provision of law, in order to deliver anesthesia care.

Section 21. KRS 314.051 is amended to read as follows:

(1) An applicant for a license to practice as a licensed practical nurse shall file with the board a written application for a license verified by oath, that the applicant:

- (a) Has fulfilled the requirements of KRS 214.615(1);
- (b) Has completed the required educational program in practical nursing at an approved school of nursing and has completed requirements for graduation therefrom;~~[and]~~
- (c) Is able to understandably speak and write the English language and to read the English language with comprehension*; and*
- *(d) Is fulfilling the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority as provided in KRS Chapter 164 or 164A, or has been granted a waiver of the obligation by the authority. Default on the financial aid repayment obligation shall render the applicant ineligible until the financial obligation is satisfied*.

(2) The applicant for licensure to practice as a licensed practical nurse shall pay a licensure application fee, and examination fees if applicable, as set forth in a regulation by the board.

(3) An applicant shall be required to pass an examination in any subjects the board may determine. Application for licensure by examination shall be received by the board at the time as determined by regulation by the board.

(4) Upon successfully completing all requirements for licensure, the board may issue to the applicant a license to practice as a licensed practical nurse if, in the determination of the board, the applicant is qualified to practice as a licensed practical nurse in this state.

(5) The board may issue a license to practice as a licensed practical nurse to any applicant who has passed the examination prescribed by the board or its equivalent, and has been licensed or registered as a licensed practical nurse or a person licensed to perform similar services under a different title, under the laws of another state, territory or foreign country if, in the opinion of the board, the applicant meets the requirements for a licensed practical nurse in this state.

(6) Any person who holds a license to practice as a licensed practical nurse in this state shall have the right to use the title "licensed practical nurse" and the abbreviation "L.P.N." No other person shall assume the title or use the abbreviation or any other words, letters, signs, or figures to indicate that the person using the same is a licensed practical nurse. No person shall practice as a licensed practical nurse unless licensed under this chapter.

(7) Those persons previously licensed by the board and not engaged in the practice of nursing in the Commonwealth of Kentucky, but desiring to maintain the right to use the title "L.P.N." may apply and be granted inactive status by the board in accordance with regulations promulgated by the board. Inactive status shall be renewed in accordance with administrative regulations promulgated by the board in accordance with KRS Chapter 13A, and those persons granted inactive status shall not be governed by the continuing competency provisions contained in this chapter. A licensed practical nurse on inactive status may petition the board for a renewal of a license to actively practice and shall complete the requirements as established in this chapter and by regulation of the board.

(8) Any person heretofore licensed as a practical nurse under the licensing laws of this state who has allowed the license to lapse by failure to renew may apply for reinstatement of the license under the provisions of this chapter.

(9) A license to practice practical nursing may be limited by the board in accordance with regulations promulgated by the board and as defined in this chapter.

Section 22. KRS 314.071 is amended to read as follows:

(1) The license of every person issued under the provisions of this chapter shall be renewed at least biennially except as hereinafter provided. At least six (6) weeks before the renewal date the board shall mail an application for renewal to every person to whom a license was issued during the current licensure period. The applicant shall fill in the application form and return it to the board with the renewal fee prescribed by the board in a regulation before the expiration date of his current license. Upon receipt of the application and fee the board shall verify the accuracy of the application to determine whether the licensee has met all the requirements as set forth in this chapter and in regulations promulgated by the board, and if so, shall issue to the applicant a license to practice for the ensuing licensure period. Such license shall render the holder a legal practitioner of nursing for the period stated on it. The board shall prescribe by regulation the beginning and ending of the licensure period.

(2) ***Any licensee who is not meeting or has defaulted on the repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority shall be ineligible for the renewal of the license until the financial obligation is satisfied or the authority has granted a waiver of the obligation for cause.***

(3) Any licensee who allows his license to lapse by failing to renew the license as provided above may be reinstated by the board on payment of current fee for original licensure and by meeting the regulations of the board.

(4)[~~(3)~~] An application for renewal of license shall be sent to the last known address of each licensee.

(5)[~~(4)~~] Any person practicing nursing during the time the license has lapsed shall be considered an illegal practitioner and shall be subject to the penalties provided for violations of the provisions of this chapter.

Section 23. KRS 315.050 is amended to read as follows:

(1) Every applicant for licensure as a pharmacist shall be not less than eighteen (18) years of age, of good mental health and moral character, a graduate of a school or college of pharmacy program approved by the board, shall have fulfilled the requirements of KRS 214.615(1), and shall file proof satisfactory to the board, substantiated by proper affidavits, of completion of an approved internship ***and of the status of a repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority under KRS Chapter 164 or 164A or of a waiver of the obligation by the authority for cause. Default on the financial aid repayment obligation shall render the applicant ineligible for licensure until the financial obligation is satisfied***.

(2) After the applicant has passed a satisfactory examination conducted before the board under regulations prescribed by the board, he shall be entitled to a license as a pharmacist.

(3) The examination for licensure shall be given by the board at least two (2) times during each year. The examination shall be prepared to measure the competency of the applicant to engage in the practice of pharmacy. The board may employ and cooperate with any organization or consultant in the preparation and grading of an appropriate examination, but shall retain the sole discretion and responsibility of determining which applicants have successfully passed such an examination.

(4) The board shall by regulation establish standards for pharmacist intern certification and an approved internship program and shall determine appropriate qualifications for pharmacists supervising approved internship programs.

(5) The board shall issue certificates of internship which shall be valid for six (6) years from date of issuance. The fee for a certificate shall be set by administrative regulation of the board, not to exceed fifty dollars ($50).

Section 24. KRS 315.110 is amended to read as follows:

(1) Every pharmacist who desires to continue to practice pharmacy shall pay to the executive director of the board a reasonable renewal fee to be set by administrative regulation of the board, but not to exceed one hundred seventy-five dollars ($175) annually or increase more than twenty-five dollars ($25) per year, and shall file with the board an application in such form and containing such data as the board may require for renewal of the license. ***If the pharmacist is a recipient of financial assistance under any program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority, data shall include verification of his or her repayment status or a waiver of the obligation by the authority for cause. Default on the financial aid repayment obligation shall render the pharmacist ineligible for renewal of the license until the financial obligation is satisfied.*** The renewal fee and renewal period shall be set by administrative regulation of the board. A penalty fee not to exceed the renewal fee may be assessed for each renewal period the licensee fails to renew the license within thirty (30) days after expiration.

(2) Every pharmacist shall keep his current certificate conspicuously displayed in his primary place of practice.

(3) In addition to a current renewal certificate, each pharmacist shall be issued upon renewal a pocket certificate which shall be in the licensee's possession at all times when the licensee is engaged in the practice of pharmacy and which shall be exhibited by the licensee upon request from any member, inspector or agent of the board.

Section 25. KRS 316.030 is amended to read as follows:

(1) No person shall engage in, or attempt to engage in, embalming or funeral directing in the Commonwealth of Kentucky unless the person is licensed under the provisions of this chapter.

(2) One (1) member of every firm, and one (1) officer and one (1) stockholder of every corporation, that engages in embalming and funeral directing in Kentucky, shall be a Kentucky-licensed embalmer and a Kentucky-licensed funeral director.

(3) The board shall issue an embalmer's license to an applicant who:

(a) Is at least eighteen (18) years of age;

(b) Is of good moral character;

(c) Has graduated from high school or possesses a High School Equivalency Diploma;

(d) Has received an associate degree in funeral services from a college or university accredited by the American Board of Funeral Service Education;

(e) Has served an apprenticeship of one (1) year in a Kentucky funeral establishment under the supervision of a Kentucky-licensed embalmer;

(f) Has taken an active part during the apprenticeship in assisting with the embalming of at least twenty-five (25) dead human bodies under the direct supervision of a Kentucky-licensed embalmer;

(g) ***Has provided verification that he or she is meeting the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority under KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation for cause. Default on the financial aid repayment obligation shall render the applicant for licensure ineligible until the financial obligation is satisfied;***

(h) Has paid to the board an examination fee of seventy-five dollars ($75); and

(i)[~~(h)~~] Has passed an examination prepared or approved by the board.

(4) The board shall issue a funeral director's license to an applicant who:

(a) Is at least eighteen (18) years of age;

(b) Is of good moral character;

(c) Has graduated from high school or possesses a High School Equivalency Diploma;

(d) Has served an apprenticeship of three (3) consecutive years in a Kentucky funeral establishment under the supervision of a Kentucky-licensed funeral director. An associate degree in funeral services from a college or university accredited by the American Board of Funeral Service Education shall substitute for two (2) years of the apprenticeship. The completion of thirty (30) semester credit hours or the equivalent from an accredited college or university shall substitute for one (1) year of the apprenticeship. At no time shall more than two (2) years of the apprenticeship be substituted;

(e) Has taken an active part during the apprenticeship in assisting with the management of at least twenty-five (25) funerals under the direct supervision of a Kentucky-licensed funeral director;

(f) ***Has provided verification that he or she is meeting the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority under KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation for cause. Default on the financial aid repayment obligation shall render the applicant for licensure ineligible until the financial obligation is satisfied;***

(g) Has paid to the board an examination fee of seventy-five dollars ($75); and

(h)[~~(g)~~] Has passed an examination prepared or approved by the board.

(5) An applicant may serve embalming and funeral directing apprenticeships concurrently.

(6) At the beginning of an apprenticeship, an applicant for an embalmer's or a funeral director's license shall:

(a) Appear before the board;

(b) Pay to the board a registration fee of thirty dollars ($30); and

(c) File with the board the sworn statement of the supervising Kentucky-licensed embalmer or the Kentucky-licensed funeral director averring that the applicant will work full-time under supervision in the funeral establishment and will receive a regular salary.

(7) An applicant shall work full-time in the funeral establishment during the apprenticeship and shall receive a regular salary.

(8) An applicant shall file with the board semiannually during the apprenticeship sworn statements by the applicant and the supervising Kentucky-licensed embalmer or Kentucky-licensed funeral director setting out the number of hours worked, the number of embalmings or funerals in which the applicant has assisted, and the salary received.

(9) A Kentucky-licensed embalmer or a Kentucky-licensed funeral director shall not supervise more than five (5) applicants serving apprenticeships at any one (1) time.

Section 26. KRS 316.130 is amended to read as follows:

(1) No license granted under this chapter shall be issued or renewed for a period exceeding one (1) year. Every license and renewal shall expire on July 31 following the date of its issuance unless sooner revoked, surrendered, or canceled.

(2) A person may renew an embalmer's license or a funeral director's license by paying to the board a renewal fee, not to exceed one hundred dollars ($100), as set out in administrative regulations promulgated by the board. ***The licensee shall provide verification that he or she is meeting the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority provided in KRS Chapter 164 or 164A, or that the authority***

has granted a waiver of the obligation for cause. Default on the financial aid repayment obligation shall render the applicant for licensure ineligible until the financial obligation is satisfied.

(3) Except for the first licensure renewal following the issuance of an original license by the board, as a prerequisite for license renewal, every Kentucky-licensed embalmer and every Kentucky-licensed funeral director shall, during each licensure year, attend a minimum of four (4) hours in a continuing education program or programs approved by the board. Upon application to the board, the board may exempt a licensee from the continuing education requirements of this section if the applicant demonstrates that meeting the continuing education requirements of this section would work an undue hardship because of disability, illness, or other clearly mitigating circumstances, or if the applicant is seventy (70) years of age or older and is not actively involved in embalming or funeral directing. The board may use a portion of the annual license renewal fees for the purpose of contracting with accredited educational institutions, professional organizations, or other qualified persons to provide educational programs that meet this continuing education requirement.

(4) A licensed funeral establishment may renew its license by paying to the board a renewal fee equal to the establishment license fee.

(5) Any renewal not received by the board prior to July 31 will be assessed a late fee, not to exceed the amount of the renewal fee, as set out in administrative regulations promulgated by the board.

(6) A license granted under this chapter shall not be transferable.

Section 27. KRS 316.131 is amended to read as follows:

(1) The board may reinstate an embalmer's or a funeral director's license that has expired for failure to renew within three (3) years of the license's expiration if the applicant for reinstatement pays a late fee and the renewal fees for the period during which the license was expired and provides proof that the applicant has met the cumulative continuing education requirements for the period during which the license was expired. ***The applicant shall provide verification that he or she is meeting the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority provided in KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation for cause. Default on the financial aid repayment obligation shall render the applicant for licensure ineligible until the financial obligation is satisfied.***

(2) The board may reinstate an embalmer's or a funeral director's license that has expired for failure to renew more than three (3) years after the license's expiration if the applicant for reinstatement pays a late fee and the renewal fees for the period during which the license was expired, provides proof that the applicant has met all the cumulative continuing education requirements for the period during which the license was expired, and demonstrates that the applicant is able to practice embalming or funeral directing with reasonable competence. The board may require the person to pass an examination to determine competency. ***The applicant shall provide verification that he or she is meeting the repayment obligation under any financial aid program administered by the Kentucky Higher Education Assistance Authority provided in KRS Chapter 164 or 164A, or that the authority has granted a waiver of the obligation for cause. Default on the financial aid repayment obligation shall render the applicant for licensure renewal ineligible until the financial obligation is satisfied.***

Section 28. KRS 319.032 is amended to read as follows:

(1) The board shall promulgate administrative regulations:

- (a) Establishing requirements, standards, and tests to determine the moral, intellectual, educational, scientific, technical, and professional qualifications of applicants for licensure; and preparing or selecting and administering examinations on general psychological knowledge. Neither certified psychologists, licensed psychological practitioners, nor licensed psychological associates may participate in the examination of applicants for licensure as licensed psychologists;
- (b) Establishing and defining the scope of practice within the field of psychology;
- (c) Setting the requirements for issuing, denying, suspending, restricting, and revoking licenses,[~~ and~~] placing credential holders on probation***, and determining the eligibility of an applicant for licensure or renewal of licensure based on the repayment status of an obligation under any financial aid program provided in KRS Chapter 164 and 164A and administered by the Kentucky Higher Education Assistance Authority***;
- (d) Developing specific guidelines to follow upon receipt of an allegation of sexual misconduct by a person credentialed by the board. The guidelines shall include investigation, hearing officer, and hearing procedures which ensure that the process does not revictimize the alleged victim or cause harm if a credential holder is falsely accused;
- (e) Requiring training for the board and investigators hired by the board on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedure in sex offense cases, and effective intervention with victims and offenders;
- (f) Establishing requirements for continuing education not to exceed thirty (30) contact hours per three (3) year renewal period as a condition for renewal of licenses;
- (g) Establishing and collecting reasonable fees for directories, transcribing, transferring of records, and other services;

(h) Conducting hearings or appointing hearing officers to conduct hearings on any matter under the jurisdiction of the board, in accordance with KRS Chapter 13B;

(i) Entering into reciprocal agreements with boards of examiners of psychology of other states having qualifications and standards at least as high as those of this state providing for reciprocal licensure;

(j) Employing personnel, including hearing officers which it considers necessary for the performance of its functions, determining the duties of personnel, and compensating them within the limits of funds available to the board;

(k) Investigating complaints or suspected violations of this chapter and notifying proper law enforcement authorities. For the purpose of enforcing the provisions of this chapter, the board shall have the authority to administer oaths, receive evidence, interview persons, issue subpoenas, and require the productions of books, papers, documents, or other evidence;

(l) Governing the supervision of certified psychologists and the supervision and employment of licensed psychological associates and candidates for licensure;

(m) Developing specific guidelines to allow school psychologists who are dually credentialed by the Education Professional Standards Board and the board to obtain supervision acceptable to the board from a licensed psychologist who is neither an employee nor contractor of the school system that employs the school psychologist being supervised; and

(n) Notwithstanding the fee schedules specified in this chapter, increasing or decreasing fees as it deems appropriate.

(2) The board shall have the authority to promulgate other administrative regulations as it deems necessary for the proper administration of this chapter.

(3) The board, at its discretion, may use funds as necessary to purchase liability insurance for members and executive officers of the board, inspectors, examiners, investigators, and staff members exempt from classified service of the state by KRS 18A.115.

Section 29. KRS 319A.110 is amended to read as follows:

(1) An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall file a written application on a form provided by the board, showing to the satisfaction of the board that such person:

(a) Is of good moral character; and

(b) Has successfully completed the academic requirements of an educational program in occupational therapy recognized by the board.

(2) The occupational therapy educational program shall be accredited by the Committee on Allied Health Education and Accreditation of the American Medical Association in collaboration with the American Occupational Therapy Association, and shall be approved by the American Occupational Therapy Association.

(3) An applicant shall submit to the board evidence of successful completion of a period of supervised fieldwork experience arranged by the recognized educational institution where the applicant met the academic requirements or by the American Occupational Therapy Association. To be considered for licensure, the following minimum amount of supervised fieldwork experience shall have been completed:

(a) Six (6) months for an occupational therapist; and

(b) Two (2) months for an occupational therapy assistant.

(4) An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall pass an examination as provided for in KRS 319A.120.

(5) An applicant for licensure as an occupational therapist or as an occupational therapy assistant who has received financial aid provided in KRS Chapter 164 or 164A as administered by the Kentucky Higher Education Assistance Authority shall verify that he or she is meeting the repayment obligation or that the authority has waived repayment for cause. Default on a repayment obligation shall render the applicant ineligible until the financial obligation is satisfied.

Section 30. KRS 319A.160 is amended to read as follows:

(1) Licenses issued under this chapter shall be subject to annual renewal and shall expire unless renewed upon the payment of a renewal fee in the manner prescribed by the rules of the board. The board may set a required number of continuing education units for license renewal. The board may provide for the late renewal of a license upon the payment of a late fee in accordance with its rules, but no such renewal of a license may be granted more than five (5) years after its expiration.

(2) A suspended license is subject to expiration and may be renewed as provided in this section, but such renewal shall not entitle the licensee, while the license remains suspended and until it is reinstated, to engage in the licensed activity, or in any other conduct or activity in violation of the order or judgment by which the license was suspended. If a license revoked on disciplinary grounds is reinstated, the licensee, as a condition of reinstatement shall pay the renewal fee and any late fee that may be applicable.

(3) A licensee who is not meeting or has defaulted on the repayment obligation under any program provided by KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority shall be ineligible for the renewal of the license until the financial obligation is satisfied or the authority has granted a waiver of the

obligation for cause.

Section 31. KRS 320.250 is amended to read as follows:

(1) Licenses to engage in the practice of optometry shall be issued only to those who qualify under the provisions of KRS 320.260 or 320.270, or who successfully pass examinations conducted or approved by the board at a time and place fixed by the board. Each applicant shall comply with the provisions of KRS 214.615(1). Each license certificate shall be signed by the president and secretary-treasurer and authenticated by the seal of the board.

(2) The examinations may consist of written, clinical, or practical examinations and shall relate to the skills needed for the practice of optometry in this Commonwealth at the time of the examination and shall seek to determine the applicant's preparedness to exercise these skills. The examining board may:

(a) Prepare, administer, and grade the examination;

(b) Accept the scores of the applicant from an examination prepared, administered, and graded by the National Board of Examiners in Optometry or any other organization approved by the board as qualified to administer the examination; and

(c) Require passage of an examination on Kentucky optometric law.

(3) Any person seeking a license to practice optometry under the provisions of this section shall submit an application to the board on forms furnished by the board. The applicant shall show proof of the following:

(a) The applicant is not less than eighteen (18) years of age and is of good moral character;

(b) The applicant is a graduate of a school or college of optometry that is accredited by a regional or professional accreditation organization that is recognized or approved by the council on postsecondary accreditation, or by the United States Department of Education, and is in good standing, as approved by the board. All applicants shall have transcript credit of at least six (6) semester hours in a course or courses from a school or college as described in this subsection in general and ocular pharmacology with particular emphasis on diagnostic pharmaceutical agents applied topically to the eye and six (6) semester hours in ocular pathology and therapy with emphasis on utilization of therapeutic pharmaceutical agents. All hours shall be from a school or college as described in this subsection;

(c) *An applicant who has received financial aid from any program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority, is meeting the repayment obligation, or that the authority has granted a waiver of the obligation for cause. Default on a repayment obligation shall render the applicant ineligible for licensure until the financial obligation is satisfied.*

All other information requested by the board as is set out on the application.

(4) The nonrefundable fee for each license application shall not exceed six hundred dollars ($600).

(5) No application shall be considered by the board after one (1) year from the date in which the board received the application has lapsed. After the lapse of the one (1) year period, an applicant shall submit a new application and another nonrefundable fee for further consideration by the board.

Section 32. KRS 320.280 is amended to read as follows:

(1) All optometrists desiring to continue practice shall annually, prior to March 1, secure from the secretary-treasurer of the board a renewal certificate upon the payment of a fee of not more than two hundred dollars ($200). Not later than February 15 of each year the board shall notify by mail all optometrists of the renewal date and fee. Application for a renewal shall be upon a form prescribed by the board and the optometrist shall furnish the information required by the form.

(2) As a prerequisite for license renewal, all optometrists now or hereafter licensed in the Commonwealth of Kentucky are and shall be required to take annual courses of study in subjects relating to the practice of optometry to the end that the utilization and application of new techniques, scientific and clinical advances, and the achievement of research will assure expansive and comprehensive care to the public. The annual courses of study shall include the course described in KRS 214.610(1) at least one (1) time every ten (10) years, but the board may in its discretion require completion of the course more frequently. The length and content of study shall be prescribed by the board but shall not exceed eight (8) hours in any calendar year, with the exception of those optometrists who are authorized to prescribe therapeutic agents who shall be required to have additional credit hours of continuing education in ocular therapy and pharmacology, the amount of required credit hours to be determined by the board, but not to exceed an additional seventeen (17) credit hours, for a total not to exceed twenty-five (25) credit hours per year. Attendance shall be at a course or by a sponsor approved by the board. Attendance at any course or courses of study is to be certified to the board upon a form provided by the board and shall be submitted by each licensed optometrist at the time he makes application to the board for the renewal of his license and payment of his renewal fee. The board may waive the continuing education requirement in cases of illness or undue hardship.

(3) *An optometrist who has received financial aid under any program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority and is not meeting or has defaulted on the repayment obligation shall be ineligible for the renewal of the license to practice optometry unless the authority has granted a waiver of the obligation for cause or until the financial obligation is satisfied.*

(4) Failure of any optometrist to secure his renewal certificate within sixty (60) days after March 1, shall constitute sufficient cause for the board to revoke his license.

Section 33. KRS 321.193 is amended to read as follows:

(1) The board shall issue a license as a "veterinarian" to an applicant who meets the following requirements:

(a) Has paid the application fee and the appropriate examination fee;

(b) Is a person of good moral character;

(c) Has received a degree from a veterinary college approved by the board; and

(d) Has achieved a passing score, as set by the board, on examinations required by administrative regulation promulgated by the board.

(2) The application fee for licensure and examination fee shall be promulgated by administrative regulation of the board.

(3) An applicant who has received financial aid under any program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority shall provide verification that he or she is meeting the repayment obligation or that the authority has waived the obligation for cause. Default on the repayment obligation shall render the applicant ineligible for licensure until the financial obligation is satisfied.

Section 34. KRS 321.211 is amended to read as follows:

(1) Each person licensed as a veterinarian shall annually, on or before September 30, pay to the board a renewal fee to be promulgated by administrative regulation of the board for the renewal of his license. All licenses not renewed by September 30 of each year shall expire based on the failure of the individual to renew in a timely manner.

(2) A sixty (60) day grace period shall be allowed after September 30, during which time individuals may renew their licenses upon payment of the renewal fee plus a late renewal fee as promulgated by administrative regulation of the board. All licenses not renewed by November 30 shall terminate based on the failure of the individual to renew in a timely manner. Upon termination, the licensee is no longer eligible to practice in the Commonwealth.

(3) After the sixty (60) day grace period, individuals with a terminated license may have their licenses reinstated upon payment of the renewal fee plus a reinstatement fee as promulgated by administrative regulation of the board. No person who applies for reinstatement after termination of his license shall be required to submit to any examination as a condition for reinstatement, if reinstatement application is made within five (5) years from the date of termination.

(4) A suspended license is subject to expiration and termination and shall be renewed as provided in this chapter. Renewal shall not entitle the licensee to engage in the practice until the suspension has ended, or is otherwise removed by the board and the right to practice is restored by the board.

(5) A revoked license is subject to expiration or termination but may not be renewed. If it is reinstated, the licensee shall pay the reinstatement fee as set forth in subsection (3) of this section and the renewal fee as set forth in subsection (1) of this section.

(6) A person who fails to reinstate his license within five (5) years after its termination may not have it renewed, restored, reissued, or reinstated. A person may apply for and obtain a new license by meeting the current requirements of this chapter.

(7) The board may require that a person applying for renewal or reinstatement of licensure show evidence of completion of continuing education as prescribed by the board by administrative regulation.

(8) The board shall require that any person who has received financial aid show evidence that he or she is fulfilling the repayment obligation under any program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority, or that the authority has granted a waiver of the obligation for cause. Default of the repayment obligation shall render the person ineligible for renewal or reinstatement of licensure until the financial obligation has been satisfied.

Section 35. KRS 321.221 is amended to read as follows:

(1) The board may issue a license by endorsement to any applicant who, upon applying to the board and remitting a fee set by the board, demonstrates to the board that he has met the following requirements:

(a) The applicant is a graduate of a veterinary college approved by the board;

(b) The applicant is of good moral character;

(c) The applicant holds a valid license to practice veterinary medicine and has practiced veterinary medicine in another state of the United States, the District of Columbia, or a territory of the United States for at least one (1) year immediately preceding application, if the requirements for licensure in the issuing state are equal to or higher than the standards required for the issuance of a new license under the provisions of this chapter; and

(d) The applicant has passed an examination given by the board on the laws and administrative regulations of the Commonwealth of Kentucky governing the practice of veterinary medicine.

(2) The board shall not issue a license by endorsement to any applicant who is under investigation in another state, territory, or the District of Columbia for an act which could result in disciplinary action in that jurisdiction until the investigation and

disciplinary proceedings have been completed.

(3) The board shall not issue a license by endorsement to any applicant who has received financial aid and is not fulfilling or is in default of the repayment obligation for any program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority, until the financial obligation has been satisfied or the authority has granted a waiver of the obligation for cause.

Section 36. KRS 321.441 is amended to read as follows:

(1) An applicant for registration as a veterinary technologist shall be a graduate of an accredited program of veterinary technology approved by the board and have met all the requirements of the board. An applicant for registration as a veterinary technician shall possess an associate degree related to veterinary sciences, or its equivalent, approved by the board and have met all the requirements of the board. An applicant for registration as a veterinary technologist or veterinary technician shall pass a written and practical examination as determined by the board to assess the qualifications and fitness of an applicant to engage in the practice.

(2) *The board shall not issue to any applicant for registration as a veterinary technologist or as a veterinary technician who has received financial aid and is not fulfilling or is in default on a repayment obligation under any program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority, until the financial obligation is satisfied or the authority has granted a waiver of the obligation for cause.*

(3) Registration issued to a veterinary technologist or veterinary technician shall not be active until the veterinary technologist or veterinary technician is employed and is under the direct supervision of a veterinarian licensed in this Commonwealth. A veterinary technologist or veterinary technician's registration is considered to be inactive until registration is activated by returning a renewal application signed by the supervising veterinarian and the application is approved by the board. Each veterinary technologist or veterinary technician registered by the board shall pay an annual fee as prescribed by the board. Each veterinary technologist or veterinary technician registered by the board shall attend annual continuing education hours as required by the board to renew the registration. Failure to renew shall result in the termination of registration. If a hearing is requested upon the rejection of an application, or upon the termination of registration, a hearing shall be conducted in accordance with the provision of KRS 321.360.

(4)[~~(3)~~] The services of a veterinary technologist or veterinary technician shall be limited to the performance of duties under the direct supervision of a licensed veterinarian except for the routine administration of drugs, vaccines, parasite control agents, and growth stimulating implants for food animals prescribed by a veterinarian and under the indirect supervision of a veterinarian where a veterinarian-client-patient relationship exists. A veterinary technologist or veterinary technician shall receive no fee or compensation for services other than salary or compensation paid by the establishment by which the veterinary technologist or veterinary technician is employed. A veterinary technologist or veterinary technician shall not participate in the operation of a branch office, clinic, or allied establishment unless a licensed veterinarian is on the premises. A veterinary technologist or veterinary technician shall not diagnose, prescribe medication or treatment, or perform surgical procedures other than castrating and dehorning of food animals. A veterinary technologist or veterinary technician may assist a veterinarian in all duties of veterinary medicine and surgery.

(5)[~~(4)~~] A veterinarian shall utilize the services of a veterinary technologist or veterinary technician in accordance with the terms and provisions of this chapter. Unauthorized utilization of veterinary technologist or veterinary technicians by veterinarians shall be considered as aiding and abetting any unlicensed person to practice veterinary medicine as described in KRS 321.351.

Section 37. KRS 322.050 is amended to read as follows:

(1) To be eligible for licensure, an applicant shall be of good character and reputation. No applicant shall be eligible who:

(a)[~~(1)~~] Has been convicted of any felony involving moral turpitude, fraud, or deceit;

(b)[~~(2)~~] Engages in conduct likely to deceive or defraud the public; or

(c)[~~(3)~~]Is adjudged mentally disabled by a court of competent jurisdiction.

(2) The board shall require that any person who has received financial aid under any program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority and is not fulfilling the repayment obligation or is in default on an obligation shall be ineligible for renewal or reinstatement of licensure, unless the authority has waived the obligation for cause or until the financial obligation has been satisfied.

Section 38. KRS 322A.040 is amended to read as follows:

(1) In order to qualify for registration, an applicant shall meet all of the following requirements:

(a) Successful completion of a minimum of thirty (30) semester hours or forty-five (45) quarter hours of course work in geology, culminating in a baccalaureate or advanced degree in geology, geophysics, geochemistry, or geological/geotechnical engineering from an accredited college or university. At the discretion of the board, courses dealing with applied geological science that are given under the auspices of an academic department other than geology may be considered toward the fulfillment of this requirement. During the twelve (12) month period beginning one hundred and eighty (180) days after July 14, 1992, the board may waive the education requirements for persons who derive their livelihood from the public practice of geology who do not meet the education requirements, but who can demonstrate to the satisfaction of the board their competency and who have at least eight (8) years of experience in geology.

(b) Five (5) years of experience in professional geologic work. Professional geologic work may include the instruction of geology at the college or university level, the geological research of persons at the college or university level, geological work performed while in the employment of the United States, state, or local governments. In counting years of experience, the board may give one (1) year of credit each for a master's degree or doctoral degree in geology, geophysics, geochemistry or geological/geotechnical engineering; and

(c) A passing score on an examination required by the board that has been designed to demonstrate that the applicant has the necessary knowledge and skill to exercise the responsibilities of the public practice of geology.

(2) During the twelve (12) month period beginning one hundred and eighty (180) days after July 14, 1992, the board shall waive the examination requirement for applicants qualified by education and experience as provided in subsection (1) of this section.

(3) Credit toward the experience and education requirements shall be subject to evaluation and approval by the board.

(4) Documentation of competency and integrity may be required by the board.

(5) Upon application, registration may be provided to those registered or certified as geologists in another state having standards at least equal to those provided in this section. During a twelve (12) month period beginning one hundred and eighty (180) days after July 14, 1992, registration may be provided to those holding a valid certification from the American Institute of Professional Geologists or the Division of Professional Affairs of the American Association of Petroleum Geologists.

(6) An applicant who has received financial aid under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority and is not meeting the repayment obligation or is in default shall be ineligible for registration, unless the authority has waived the obligation for cause or until the financial obligation has been satisfied.

Section 39. KRS 322A.060 is amended to read as follows:

(1) All certificates of registration shall expire annually at a time and date designated by the board. The board shall notify every person registered under this chapter of the date of expiration of his certificate and the amount of the renewal fee which shall be fixed by the board.

(2) When the renewal fee is not paid within ninety (90) days after the expiration date, that individual's certificate of registration shall be suspended and the name shall be deleted from the roster of the board until the renewal fee is paid.

(3) When the renewal fee is not paid for two (2) annual periods, that individual's certificate of registration shall be revoked and shall not be renewed. In the event that an individual whose registration has been revoked desires to be again registered, an application shall be submitted to the board and the individual shall be considered as a new applicant.

(4) The board shall require that any person who has received financial aid and is not fulfilling or is in default on a repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A that is administered by the Kentucky Higher Education Assistance Authority shall be ineligible for renewal or reinstatement of licensure, until the authority has granted a waiver of the obligation for cause or the financial obligation has been satisfied.

Section 40. KRS 323.050 is amended to read as follows:

(1) Except as otherwise provided in this chapter, an applicant seeking to obtain a license to practice architecture in Kentucky shall satisfactorily pass the examination that is prescribed by the board.

(2) Every applicant for examination shall:

(a) Be of good moral character; and

(b) Hold a professional degree in architecture accredited by the National Architectural Accrediting Board (NAAB), or its equivalent as determined by administrative regulations promulgated by the board, with such additional experience as the board may prescribe and approve.

(3) Examinations shall be given at least annually, the time and place to be established by the board.

(4) An applicant who has received financial aid under any program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority and is not meeting the repayment obligation or is in default shall be ineligible for registration, unless the authority has waived the obligation for cause or until the obligation is satisfied.

Section 41. KRS 323.110 is amended to read as follows:

(1) (a) All architects desiring to continue practice shall secure from the board a renewal certificate at the expiration of their licenses, upon the payment of the prescribed fee. The board shall promulgate administrative regulations establishing the terms of the licenses, and may renew licenses on an annual or biannual basis. The board may stagger the terms of the licenses, if needed, and may double the annual renewal fee as established pursuant to KRS 323.080 for any license issued for a two (2) year period. Not later than June 15 of each year the board shall notify by mail all architects of the renewal date and fee. Application for a renewal shall be upon a form prescribed by the board and the architect shall furnish the information required by the form.

(b) Failure of any architect to secure his renewal certificate within sixty (60) days after July 1 shall result in the automatic revocation of his license.

(c) The board may reissue a license that has been revoked for failure to pay the renewal fee upon proper application as determined by the board and the payment of all delinquent fees as directed.

(2) A licensed architect may voluntarily surrender his license to the board and thereby be relieved of paying the annual renewal fee. After surrendering his license, he shall not be known as a licensed architect and shall desist from the practice of architecture. Within five (5) years from the time of surrender of the license, he may again qualify for a license without examination by the payment of the required fee and current renewal fee. If five (5) years thereafter have elapsed, he shall return to the status of a new applicant.

(3) The board shall require that any person who has received financial aid under any program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority and is not fulfilling the repayment obligation or is in default shall be ineligible for renewal or reinstatement of licensure, unless the authority has waived the obligation for cause or until the financial obligation has been satisfied.

Section 42. KRS 325.261 is amended to read as follows:

The license of "certified public accountant" shall be granted by the board to any person who satisfies the following requirements:

(1) Is no less than eighteen (18) years of age;

(2) Is of good moral character;

(3) Meets the following educational credentials prior to applying for the examination:

(a) Has a baccalaureate degree or master's degree conferred by a college or university recognized by the board with a major or concentration program in accounting or its equivalent, as defined in administrative regulations promulgated by the board; or

(b) Beginning in the year 2000 with a new examination applicant, approved to sit for the first examination of the year or subsequent examination, has completed one hundred fifty (150) college semester hours which include a baccalaureate degree conferred by a college or university recognized by the board with a major or concentration program in accounting or its equivalent, as defined in administrative regulations promulgated by the board;

(4) Has one (1) year of accounting or attest experience obtained while employed in an accounting or auditing position in public practice, academia, industry, or government that shall be verified by a certified public accountant who, during the time being verified, held an active license to practice from any state;

(5) Passes a board-approved written examination in accounting, auditing, and other related subjects as the board deems appropriate. To be eligible to apply for the examination, a person shall first satisfy requirements of subsections (1), (2), and (3) of this section;[~~ and~~]

(6) Submits a complete application for a license to practice as a certified public accountant in accordance with KRS 325.330***; and***

(7) Provides verification that he or she is meeting the repayment obligation under any financial aid program provided in KRS Chapter 164 and 164A administered by the Kentucky Higher Education Assistance Authority, or that the authority has waived the obligation for cause. Default on the financial aid repayment obligation shall render the applicant for licensure ineligible until the financial obligation is satisfied.

Section 43. KRS 325.330 is amended to read as follows:

(1) An applicant for initial issuance of a license to practice shall:

(a) Satisfy all the requirements of KRS 325.261 and the administrative regulations promulgated by the board;

(b) Pay a fee not to exceed two hundred dollars ($200); and

(c) Submit a completed application on a form issued by the board.

(2) Licenses shall be initially issued and renewed for a period of two (2) years, and shall expire on the first day of July in the year of expiration.

(3) When an initial license to practice is granted, the board shall issue a nonrenewable document that indicates that the licensee has satisfied all requirements to receive an initial license as a certified public accountant.

(4) An applicant for renewal of a license to practice, in good standing, shall complete a license renewal form provided by the board showing the applicant has:

(a) Fulfilled the requirement of continuing professional education for professional enhancement as defined by the board by administrative regulation, but not to exceed eighty (80) hours during a two (2) year calendar period ending December 31 preceding the July 1 renewal date. Certified public accountants not employed by a firm licensed by the board shall be required to achieve continuing professional education not to exceed sixty (60) hours during the two (2) year calendar period ending December 31 preceding the July 1 renewal date. The board shall provide for lesser, prorated requirements for applicants whose initial permit was issued substantially less than two (2) years prior to the renewal date;

(b) Paid a fee not to exceed two hundred dollars ($200) biennially;

(c) Listed a permanent mailing address; and

(d) Designated on the license renewal application whether he is employed by a firm licensed by the board.

(5) Any license not renewed by the expiration date shall automatically expire and the holder of the expired license shall be prohibited from practicing public accounting or holding himself out as a certified public accountant.

(6) The holder of a license that from the date of renewal has been expired for a period shorter than six (6) months, and who has not violated any other provision of this chapter, may renew the license by meeting all of the requirements of this section and paying a late penalty fee not to exceed one hundred dollars ($100).

(a) If the license has expired for a period longer than six (6) months, the applicant shall apply to the board for reinstatement. The board shall determine the eligibility for license reissuance, including a late penalty fee not to exceed two hundred dollars ($200) and additional continuing professional education hours.

(b) Failure to receive a renewal notice shall not constitute an adequate reason for failing to renew the license to practice in a timely manner.

(7) The board may reduce or waive the license to practice renewal requirements upon written request of the licensee showing illness, extreme hardship, or age and complete retirement from practice as prescribed by the board by administrative regulation.

(8) The board shall require that any person who is not fulfilling the repayment obligation or is in default on an obligation under any financial aid program provided in KRS Chapter 164 or 164A and administered by the Kentucky Higher Education Assistance Authority shall be ineligible for renewal or reinstatement of licensure, unless the authority has waived the obligation for cause or until the obligation is satisfied.

Section 44. KRS 327.050 is amended to read as follows:

(1) Before applying for licensure by the board as a physical therapist, a person shall have successfully completed an accredited program in physical therapy approved by the board and shall have fulfilled the requirements of KRS 214.615(1). No school shall be approved by the board unless it has been approved for the educational preparation of physical therapists by the recognized national accrediting agency for physical therapy educational programs.

(2) Any person who possesses the qualifications required by this chapter and who desires to apply for licensure as a physical therapist in Kentucky shall make written application to the board, on forms to be provided by the board. The application shall be accompanied by a nonrefundable application fee in an amount to be determined by the board, but not to exceed two hundred fifty dollars ($250).

(3) If it appears from the application that the applicant possesses the qualifications required by this chapter and has not yet successfully completed the board-approved examination, the applicant shall be allowed to sit for the examination and tested in the subjects the board may determine to be necessary.

(4) Examinations shall be held within the state at least once a year at the time and place as the board shall determine.

(5) An applicant who is admitted to the examination or an applicant who has submitted satisfactory evidence that he has been accepted as a candidate for licensure by examination in a state which offers an examination approved by the board may be granted a temporary permit which shall be valid until his examination is graded and he is notified by the board of his score. The board may summarily withdraw a temporary permit upon determination that the person has made any false statement to the board on the application, or the person fails to pass an examination approved by the board.

(6) An applicant who receives a passing score as determined by the board and who meets the other qualifications required by this chapter shall be licensed as a physical therapist.

(7) An applicant who fails to receive a passing score on his examination shall not be licensed, but the board may, by administrative regulation, permit applicants to take the examination more than once.

(8) All licenses and certificates shall be renewed biennially, upon payment on or before March 31 of each uneven-numbered year of a renewal fee in an amount to be promulgated by the board by administrative regulations. Any licensed or certified person seeking renewal shall be required to complete the course described in KRS 214.610(1) at least one (1) time every ten (10) years, but the board may in its discretion require completion of the course more frequently. Proof of completion of the course shall be retained for three (3) years following completion.

(9) Licenses and certificates which are not renewed by March 31 of each uneven-numbered year shall lapse.

(10) *An applicant for initial licensure and certification and for renewal of licensure or certification who has received financial aid under any program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority shall verify that he or she is meeting the repayment obligation, or that the authority has waived the obligation for cause. An applicant who is in default on an obligation shall be ineligible until the financial obligation is satisfied.*

(11) This chapter shall not be construed to affect or prevent:

(a) A student of physical therapy from engaging in clinical practice under the supervision of a licensed physical therapist, as part of the student's educational program;

(b) A physical therapist who is licensed to practice in another state or country from conducting or participating in a clinical residency under the supervision of a physical therapist licensed in Kentucky and for a period of not more than ninety (90) days;

(c) A physical therapist who is licensed to practice in another state or country from conducting or participating in the teaching of physical therapy in connection with an educational program and for a period of not more than ninety (90) days;

(d) A physical therapist licensed in another state or country from performing therapy on members of the out-of-state sports or entertainment group they accompany to Kentucky; or

(e) The practice of chiropractic as defined in KRS 312.015(3).

Section 45. KRS 334A.050 is amended to read as follows:

To be eligible for licensure by the board as a speech-language pathologist or audiologist, the applicant must:

(1) Be a citizen of the United States or have declared his intention to become a citizen. A statement by the applicant under oath that he is a citizen or that he intends to apply for citizenship when he becomes eligible to make application shall be sufficient proof of compliance with this subsection;

(2) Show evidence of meeting the following professionally accepted academic and practicum standards:

(a) Master's degree in the area of speech-language pathology or audiology or substantive equivalent. The specific course work for this requirement is to be determined by the board and delineated in the administrative regulations;

(b) Completion of supervised direct clinical practicum with individuals presenting a variety of disorders of communication, the experience being obtained with the training institution or in one (1) of its cooperating programs; and

(c) Completion of postgraduate professional experience as deemed necessary by the board;~~[and]~~

(3) Pass the national examinations in speech-language pathology or audiology which are approved by the American Speech and Hearing Association and in effect at the time of application for licensure. Written examinations may be supplemented by such oral examinations as the board shall determine. An applicant who fails his examination may be reexamined at a subsequent examination upon payment of another licensing fee*; and*

(4) Show evidence of meeting the repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority, unless the authority has granted a waiver for cause. Default on a repayment obligation shall render the applicant ineligible for licensure until the financial obligation is satisfied.

Section 46. KRS 334A.170 is amended to read as follows:

(1) Each licensed speech-language pathologist, speech-language pathology assistant, or audiologist shall annually, on or before January 30, pay to the board a renewal fee not to exceed seventy-five dollars ($75) for a renewal of his license. A thirty (30) day grace period shall be allowed after January 30, during which time licenses may be renewed on payment of a renewal fee plus grace period fee which combined shall not exceed ninety dollars ($90). After expiration of the grace period, the board may renew each license upon payment of a renewal fee plus a delinquency fee which combined shall not exceed one hundred twenty-five dollars ($125). No person who applies for renewal, whose license has expired, shall be required to submit to any examination as a condition to renewal, if the renewal application is made within five (5) years from the date of expiration.

(2) A suspended license is subject to expiration and shall be renewed as provided in this chapter, but the renewal shall not entitle the licensee, while the license remains suspended and until it is reinstated, to engage in the licensed activity, or in any other activity or conduct in violation of the order of judgment by which the license was suspended. A license revoked on disciplinary grounds shall be subject to expiration as provided in this chapter, but it shall not be renewed. If it is reinstated after its expiration, the licensee, as a condition of reinstatement, shall pay a reinstatement fee in an amount equal to the renewal fee in effect on the last preceding regular renewal date before the date on which it is reinstated, plus the delinquency fee, if any, accrued at the time of its revocation.

(3) A person who fails to renew his license within the five (5) years after its expiration may not renew it, and it shall not be restored, reissued, or reinstated thereafter. The person may apply for and obtain a new license if he meets the requirements of this chapter.

(4) A person applying for renewal of licensure shall show evidence of completion of continuing professional education in speech-language pathology or audiology as prescribed by the board by administrative regulation.

(5) A person applying for renewal of licensure who has received financial aid under any program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority shall be meeting the repayment obligation unless the authority has granted a waiver for cause. A person who has defaulted on the obligation shall be ineligible for renewal of a license until the obligation is satisfied.

Section 47. KRS 335.090 is amended to read as follows:

(1) The board shall issue a license as "licensed social worker" to an applicant who meets the following requirements:

(a) Is at least eighteen (18) years of age;

(b) Is a person of good moral character;

(c) 1. Has received a baccalaureate degree in a social work or social welfare program accredited by the Council on Social Work Education; or

2. Has received a baccalaureate degree and has completed courses equivalent to a social work or social welfare program as determined by the board;

(d) Has paid to the board an examination fee established by the board by promulgation of an administrative regulation;

(e) Has passed an examination prepared by the board;

(f) Has not within the preceding six (6) months failed to pass an examination given by the board;

(g) Has paid an initial license fee established by the board by promulgation of an administrative regulation;[~~and~~]

(h) Has complied with KRS 214.615(1)*; and*

(i) Has verified that he or she is meeting the repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority, or that the authority has granted a waiver of the obligation for cause. An applicant who is in default shall be ineligible for licensure until the obligation is satisfied.

(2) The license shall be displayed in the licensee's principal place of practice, and shall entitle the licensee to hold himself forth to the public as providing services as authorized by KRS 335.010 to 335.160 and 335.990.

Section 48. KRS 335.080 is amended to read as follows:

(1) The board shall issue a license as "certified social worker" to an applicant who meets the following requirements:

(a) Is at least eighteen (18) years of age;

(b) Is a person of good moral character;

(c) Has received a master's degree or doctorate degree in social work from an educational institution approved by the board;

(d) Has paid to the board an examination fee established by the board by promulgation of an administrative regulation;

(e) Has passed an examination prepared by the board;

(f) Has not within the preceding six (6) months failed to pass an examination given by the board;

(g) Has paid an initial license fee established by the board by promulgation of an administrative regulation;[~~and~~]

(h) Has complied with KRS 214.615(1)*; and*

(i) Has verified that he or she is meeting the repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority, unless the authority has granted a waiver of the obligation for cause. An applicant who has defaulted on the repayment obligation shall be ineligible for licensure until the obligation is satisfied.

(2) The license shall be displayed in the licensee's principal place of practice, and shall entitle the licensee to hold himself forth to the public as providing services as authorized by KRS 335.010 to 335.160 and 335.990.

(3) A certified social worker may engage in the practice of clinical social work by contracting, in writing, with a licensed clinical social worker who shall assume responsibility for and supervise the certified social worker's practice as directed by the board by promulgation of administrative regulations. The certified social worker shall, for purposes of this section, be an employee of an institution or organization in which the certified social worker has no direct or indirect interest other than employment. No certified social worker shall enter into a practice of clinical social work until this contract has been approved by the board, and shall cease the practice of clinical social work immediately upon the termination of the contract. At the termination of the contract, the certified social worker shall apply for licensure as a licensed clinical social worker or request an extension of the contract from the board.

Section 49. KRS 335.100 is amended to read as follows:

(1) The board shall issue a license as "licensed clinical social worker" to an applicant who meets the following requirements:

(a) Has received a master's degree or doctoral degree in social work from an educational institution approved by the board;

(b) Has had a minimum of two (2) years of full time post-master's experience, consisting of at least thirty (30) hours per week, or three (3) years of part time, consisting of at least twenty (20) hours per week, post-master's degree experience acceptable to the board in the use of specialty methods and measures to be employed in clinical social work practice, the experience having been acquired under appropriate supervision as established by the board by promulgation of an administrative regulation;

(c) Has paid to the board an examination fee established by the board by promulgation of an administrative regulation;

(d) Has passed an examination prepared by the board for this purpose;

(e) Has not within the preceding six (6) months failed to pass an examination given by the board;

(f) Has paid an initial license fee established by the board by promulgation of an administrative regulation;[~~and~~]

(g) Has complied with KRS 214.615(1)*; and*

(h) Has verified that he or she is meeting the repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority, or that the authority has granted a waiver of the obligation for cause. An applicant who is in default shall be ineligible for licensure until the obligation is satisfied.

(2) The license shall be displayed in the licensee's principal place of practice, and shall entitle the licensee to hold himself forth to the public as providing services as authorized by KRS 335.010 to 335.160 and KRS 335.990.

(3) A licensed clinical social worker may contract with a certified social worker in the practice of clinical social work as provided in KRS 335.080(3). The licensed clinical social worker shall assume responsibility for and supervise the certified social worker's practice as directed by the board by promulgation of administrative regulations.

Section 50. KRS 335.130 is amended to read as follows:

(1) Each certified social worker, licensed social worker and licensed clinical social worker shall renew his license every three (3) years, and shall pay the board a renewal fee as established by the board by promulgation of an administrative regulation.

(2) Licensees whose licenses are renewed by the board shall be issued a renewal license.

(3) Renewal fees shall be waived for any licensee actually serving in the Armed Forces of the United States. The waiver shall be effective for six (6) months following honorable discharge, separation, or release from the Armed Forces, after which period a license shall be considered lapsed.

(4) The board may, at its discretion, require continuing education as a condition of license renewal.

(5) An applicant for renewal of licensure who has received financial aid under any program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority shall verify that he or she is meeting the repayment obligation, or that the authority has waived the obligation for cause. An applicant who has defaulted shall be ineligible for licensure until the financial obligation has been satisfied.

Section 51. KRS 335.330 is amended to read as follows:

An applicant for licensure as a marriage and family therapist shall pay the board an initial fee which shall be established by administrative regulation promulgated by the board. The applicant shall show the board that the applicant has:

(1) Completed a master's or doctoral degree program in marriage and family therapy, from a regionally-accredited educational institution, or a master's, post-master's, or doctoral program approved by the Commission on Accreditation for Marriage and Family Therapy Education or any of its successor organizations, or an equivalent course of study as defined by the board by promulgation of administrative regulations.

(a) The degree or equivalent course of study shall contain specific coursework on psychopathology and the Diagnostic and Statistical Manual; and

(b) In determining equivalency, the board shall use the criteria for marriage and family therapy education and clinical training approved by the United States Department of Education;

(2) Completed each of the following:

(a) At least two (2) years' experience in the practice of marriage and family therapy, acceptable to the board and subsequent to being granted a master's degree; and

(b) A minimum of two hundred (200) hours of clinical supervision acceptable to the board and subsequent to being granted a master's degree;~~[and]~~

(3) Passed a written examination prescribed by the board by promulgation of administrative regulations*; and*

(4) Has verified that he or she is meeting the repayment obligation under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority, unless the authority has granted a waiver of the obligation for cause. An applicant who is in default shall be ineligible for licensure until the obligation is satisfied.

Section 52. KRS 335.525 is amended to read as follows:

(1) The board shall issue a "professional counselor" certificate to an applicant who:

(a) Has paid the application fee and the appropriate examination fee to the board;

(b) Is of good moral character;

(c) Has received a master's, specialist, or doctoral degree in counseling or a related field from a regionally-accredited institution;

(d) Has completed a minimum of sixty (60) graduate semester hours in the following:

1. The helping relationship, including counseling theory and practice;

2. Human growth and development;

3. Lifestyle and career development;

4. Group dynamics, process, counseling, and consulting;
5. Assessment, appraisal, and testing of individuals;
6. Social and cultural foundations, including multicultural issues;
7. Principles of etiology, diagnosis, treatment planning, and prevention of mental and emotional disorders and dysfunctional behavior;
8. Research and evaluation; and
9. Professional orientation and ethics;

(e) Has completed a minimum of three thousand (3,000) hours of experience in the practice of counseling, two thousand (2,000) hours of which must have been obtained since obtaining the master's degree and must be under approved supervision and shall include, but not be limited to, a minimum of one thousand two hundred (1,200) hours of direct counseling with individuals, couples, families, or groups and a minimum of one hundred (100) hours of individual, face-to-face weekly clinical supervision with an approved supervisor. Up to one thousand (1,000) hours of the supervised experience may be obtained from a supervised practicum or internship. After January 1, 2001, the board shall issue certificates only to applicants who have obtained all three thousand (3,000) hours of experience since obtaining the master's degree. All applicants shall complete an organized practicum or internship consisting of at least four hundred (400) hours; and

(f) Has achieved passing scores on all portions of the examinations required by the board.

(2) The board may issue a professional counselor associate certificate to an applicant as provided under KRS 335.500. An associate may apply for professional counselor certification upon completion of the hours of experience required under subsection (1)(e) of this section.

(3) The application fee for certification and the examination fee shall be established pursuant to administrative regulation promulgated by the board.

(4) The board shall require that any person who is not fulfilling the repayment obligation or is in default on an obligation under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority shall be ineligible for licensure, unless the authority has waived the obligation for cause or until the financial obligation has been satisfied.

Section 53. KRS 335.535 is amended to read as follows:

(1) Each person certified as a professional counselor shall pay to the board an annual renewal fee on or before the renewal date established in administrative regulations promulgated by the board. All certificates not renewed by the renewal date each year shall expire because they were not timely renewed;

(2) A person who fails to renew his certificate on or before the renewal date shall be given a sixty (60) day grace period. During the grace period, he may continue to use the title "certified professional counselor" and may renew his certificate upon payment of the renewal fee and a late fee.

(3) All certificates not renewed within sixty (60) days after the renewal date shall terminate. Upon termination, the certificate holder shall not be eligible to use the title "certified professional counselor" in the Commonwealth.

(4) After the sixty (60) day grace period, individuals with terminated certificates may reinstate their certificates upon payment of the renewal fee and a reinstatement fee.

(5) A suspended certificate shall be renewed as provided in this section; however, the certificate holder shall not use the title "certified professional counselor" until the suspension has ended, or is removed by the board.

(6) A revoked certificate may not be renewed. However, the certificate holder shall pay the reinstatement and renewal fees as set forth in this section before his license is reinstated.

(7) A person who fails to reinstate his certificate within three (3) years after its termination may not have it renewed, restored, reissued, or reinstated. This person may apply for and obtain a new certificate by meeting the current requirements of KRS 335.525.

(8) The board may require that a person applying for renewal or reinstatement of his certification show proof of having completed continuing education requirements.

(9) The board shall require that any person who is not fulfilling the repayment obligation or is in default on an obligation under any financial aid program provided in KRS Chapter 164 or 164A administered by the Kentucky Higher Education Assistance Authority shall be ineligible for renewal or reinstatement of licensure, unless the authority has waived the obligation for cause or until the financial obligation has been satisfied.

The Committee Substitute to **HB 296** is as follows:

HB 296, AN ACT relating to student loans.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 164.740 TO 164.785 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section, "licensing agency" means an agency, board, or commission created by the state, including the Kentucky Supreme Court, that has the power to issue, renew, revoke, or suspend any occupational or professional certification, license, or registration required to engage in an occupation, profession, or trade.

(2) The Kentucky Higher Education Assistance Authority shall declare that a person is in default if he or she is not meeting the repayment obligation under any financial assistance program in KRS Chapters 164 and 164A administered by the Kentucky Higher Education Assistance Authority.

(3) A licensing agency may require that an applicant certify that he or she is not ineligible for an initial or renewed occupational or professional certification, license, or registration pursuant to subsection (2) of this section.

(4) A licensing agency shall not issue or renew a license of any person who is in default of the repayment obligation under any financial assistance program in KRS Chapters 164 and 164A unless the authority has verified that:

(a) The borrower in default has entered a satisfactory repayment agreement on the defaulted loan;

(b) The financial obligation has been waived for cause or discharged by the authority; or

(c) The financial obligation has been satisfied or paid in full.

(5) The authority shall notify the licensing agencies of the requirements of this section and enter into an agreement with the licensing agencies to establish procedures regarding the exchange of information on persons who have defaulted on repayment obligations, the form and frequency of exchanging information on borrowers in default, and notification to the borrowers in default of the repayment obligation.

(6) A licensing agency or the authority shall notify, in writing, the borrower of a defaulted loan that failure to repay the obligation may result in the denial of the issuance of an initial or renewed license, or the suspension or revocation of a license to practice a profession, occupation, or trade in accordance with the rules and policies established by the licensing agency. The notice shall provide time frames in which the borrower shall respond to the notification and enter into a satisfactory agreement to repay the obligation. If the borrower fails to enter into a satisfactory agreement, the authority may notify the appropriate licensing agency that the license of the borrower in default is not subject to issuance or renewal or may be suspended or revoked in accordance with the administrative regulations of the licensing agency.

(7) The authority shall promptly notify a licensing agency that a formerly reported borrower is no longer in default and has achieved satisfactory repayment status as determined by the authority, repaid the obligation in full, or the authority has taken other action including waiver of the obligation for cause or discharging the borrower of the responsibility for repayment. Upon receiving notice from the authority, the licensing agency may issue an initial or renewed license or reinstate the certificate, license, or registration in accordance with administrative regulations adopted by the licensing agency.

SECTION 2. A NEW SECTION OF KRS 164.740 TO 164.785 IS CREATED TO READ AS FOLLOWS:

The Kentucky Lottery Corporation and the authority shall develop a system to allow the Kentucky Lottery Corporation to receive on a periodic basis a list of persons declared in default of repayment obligations under financial assistance programs in KRS Chapters 164 and 164A. The Kentucky Lottery Corporation shall withhold from a person's prize winnings the amount of the defaulted loan and shall transfer the amount to the authority to credit the account of the person in default. Any amount remaining after the deduction of the loan amount shall be paid to the person.

Section 3. KRS 154A.060 is amended to read as follows:

(1) The corporation shall conduct and administer lottery games which will result in maximization of revenues to the Commonwealth of Kentucky while at the same time provide entertainment to its citizens. It shall be the duty of the corporation, its employees, and the members of the board to provide for the effective operation of lottery games which insure the integrity of the lottery and maintain the dignity of the Commonwealth and the general welfare of its citizens. The corporation, in pursuit of the attainment of the objectives and the purposes of this chapter, may:

(a) Sue and be sued in its corporate name;

(b) Adopt a corporate seal and a symbol;

(c) Hold copyrights, trademarks, and service marks, and enforce its rights with respect thereto;

(d) Appoint agents upon which process may be served;

(e) Enter into written agreements with one (1) or more other states for the operation, marketing, and promotion of a joint lottery or joint lottery games;

(f) Acquire real property and make improvements thereon. These acquisitions shall be reported to the Capital Projects and Bond Oversight Committee for its review and determination in accordance with KRS 45.750 to 45.810; and

(g) Make, execute, and effectuate any and all agreements or contracts including:

1. Contracts for the purchase of such goods and services as are necessary for the operation and promotion of the state lottery. Proposed purchases of major items of equipment estimated to cost one hundred thousand dollars ($100,000) or more and proposed purchases of items of equipment where the estimated contract price for all the items of equipment taken together is four hundred thousand dollars ($400,000) or more shall be reported to the Capital Projects and Bond Oversight Committee for its review and determination in accordance with the provisions of KRS 45.750 to 45.810. A contract shall not be artificially divided to cause an estimated contract price to fall below the four hundred thousand dollar ($400,000) threshold. Contracts for personal service shall be reviewed in accordance with KRS 45A.690 to 45A.725.

2. Contracts to incur debt in its own name and enter into financing agreements with the Commonwealth, its own agencies, or with a commercial bank, excluding the authority to issue bonds.

(2) The corporation shall:

(a) Supervise and administer the lottery in accordance with the provisions of this chapter and the administrative regulations adopted by the board;

(b) Submit monthly and annual reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives containing financial statements which include, but are not limited to, disclosure of gross revenues, expenses, and net proceeds for the period;

(c) Adopt by administrative regulation a system of continuous internal audits;

(d) Maintain weekly or more frequent records of lottery transactions, including distribution of tickets to lottery retailers, revenues received, claims for prizes, prizes paid, and all other financial transactions of the corporation;

(e) Adopt by administrative regulation a code of ethics for officers and employees of the corporation to carry out the standards of conduct established by the provisions of this chapter;

(f) Include capital projects, as defined in KRS 45.750(1)(f), which exceed the thresholds set forth in KRS 154A.060(1)(g)1. in the budget unit request submitted by the corporation to the Finance and Administration Cabinet pursuant to KRS 48.050. In the budget unit request submitted by the corporation, a contingency item for acquisition of the on-line central system, all related equipment, and any other equipment owned by vendors of the corporation relating to computer-generated lottery games from the corporation's vendors shall be stated separately from all other equipment. Further, if the identification of specific projects requiring the acquisition of equipment in the nature of computer systems, communications equipment and related peripheral devices, and operating system software cannot be ascertained with absolute certainty at the time the corporation is required to submit its budget unit request, the corporation shall be entitled to submit a general request for the equipment without individually identifying specific projects, together with a maximum amount to be allocated for the equipment, in the budget unit request;[~~ and~~]

(g) The Kentucky Lottery Corporation and the Cabinet for Families and Children shall develop a system to allow the Kentucky Lottery Corporation to receive a list of delinquent child support obligors from the Cabinet for Families and Children on a monthly basis. The Kentucky Lottery Corporation shall withhold delinquent amounts from prizes of winners that appear on the list. This system shall be timely and shall not create an unavoidable delay in the payment of a lottery prize***; and***

(h) The Kentucky Lottery Corporation and the authority shall develop a system to allow the Kentucky Lottery Corporation to receive on a periodic basis a list of persons declared in default of repayment obligations under financial assistance programs in KRS Chapters 164 and 164A. The Kentucky Lottery Corporation shall withhold from a person's prize winnings the amount of the defaulted loan and shall transfer the amount to the authority to credit the account of the person in default. Any amount remaining after the deduction of the loan amount shall be paid to the person.

HB 329, AN ACT relating to student financial assistance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.740 is amended to read as follows:

As used in KRS 164.740 to 164.785, the terms listed below shall have the following meanings:

(1) "Authority" means the Kentucky Higher Education Assistance Authority.

(2) "Board" means the board of directors of the Kentucky Higher Education Assistance Authority.

(3) "Business school" means any business school which is accredited by the ***Accrediting Commission for Independent Colleges and Schools***[~~Association of Independent Colleges and Schools, the commission for business schools,~~] or any successor ***recognized by the United States Department of Education***, and which provides a program of study leading to the granting of a postsecondary degree or diploma.

(4) "College" means any postsecondary educational institution of higher learning which is accredited by ***a***[~~the Southern~~

~~Association of Colleges and Schools, the commission on colleges, or any successor, or other equivalent~~] regional accrediting association ***recognized by the United States Department of Education***, and which provides a program of study leading to the granting of a postsecondary degree or diploma.

(5) "Eligible institution" means any educational institution or class of institutions designated pursuant to the federal act or this chapter as eligible to participate in authority-administered programs, provided that no right of participation shall be deemed vested pursuant to this subsection in any institution, including, but not by way of limitation, any college, school of nursing, vocational school, or business school.

(6) "Eligible lender" means any entity described as eligible pursuant to the federal act to make or originate insured student loans, provided that no right of participation shall be deemed vested hereby in any lender.

(7) "Eligible student" means any student enrolled or accepted for enrollment at a participating institution, meeting the criteria established by the federal act and this chapter for the various authority administered programs.

(8) "Endorser" means a person who signs a student loan promissory note as an accommodation party, in the manner of KRS 355.3-419, and is secondarily liable for payment on such note.

(9) "Federal Act" means the Higher Education Act of 1965, Pub. L. 89-329, as amended.

(10) "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other monetary award that requires neither employment nor repayment, except under conditions prescribed by the board, and is based on demonstrated financial need and such other terms and conditions as the board may prescribe.

(11) "Honorary scholarship" means a certificate of merit or achievement or other appropriate document which may be issued by the board to students in recognition of superior academic ability or achievement or a special talent.

(12) "Insured student loan" means a loan to an eligible borrower, who is qualified under the federal act, on which the payment of principal and interest is insured as evidenced by a loan guarantee issued by the authority and reinsured by the secretary under the federal act.

(13) "Loan" means an advance of money, to be used exclusively for payment of educational expenses, evidenced by a promissory note or similar instrument requiring repayment under specified conditions.

(14) "Loan guarantee" means the certificate, document, or endorsement issued by the authority as evidence of insurance of a loan as to both principal and interest and of reinsurance by the secretary under the federal act.

(15) "Participating institution" means any eligible institution, to the extent that it offers an eligible program of study, having a contract in force with the authority, if required by the authority, on such terms as the authority may deem necessary or appropriate to the administration of its programs.

(16) "Participating lender" means any eligible lender, including the authority and the Kentucky Higher Education Loan Corporation, which has in force a contract with the authority providing for loan guarantee to be issued by the authority under the federal act and this chapter.

(17) "Penal institution" means any penitentiary, detention facility, adult correctional facility, jail, or other similar institution operated by the state, local, or federal government or by private business.

(18) "Recognition award" means an advance of money to or on behalf of a student in recognition of superior academic ability, achievement or special talent.

(19) "***Regional accrediting association" means the Accrediting Commission for Senior Colleges and Universities, Commission on Colleges, Commission on Higher Education, Commission on Institutions of Higher Education, Higher Learning Commission, Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, or Western Association of Schools and Colleges.***

(20) "Scholarship" means a gift of money to provide an incentive for fulfillment of a particular public purpose which may be based on financial need and superior academic ability or achievement or a special talent and such other terms and conditions as the board may prescribe.

(21)[~~(20)~~] "School of nursing" means any training program in the field of nursing, including one regarding nurse aides, which is accredited by the Kentucky Board of Nursing Education and Nurse Registration, or any successor, and which provides a program of study leading to the granting of a postsecondary degree or diploma.

(22)[~~(21)~~] "Secretary" means the United States Secretary of Education.

(23)[~~(22)~~] "Vocational school" means any public vocational school, technical institution, or technology center which is managed and controlled by the board of regents for the Kentucky Community and Technical ***College*** System and which provides a course of study leading to the granting of a postsecondary certificate or diploma, or a vocational technical school accredited by the ***Accrediting Commission for Career Schools and Colleges of Technology or the Council on Occupational Education***[~~national association of trade and technical schools~~] ***recognized by the United States Department of Education***, or any successor, which provides a program of study leading to the granting of a postsecondary degree, diploma, or certificate.

(24)[~~(23)~~] "Work study" means an award of money disbursed by the board at specified intervals to students, or as reimbursement to employers of students, who provide needed services for a specified number of hours in a capacity approved by the board.

Section 2. KRS 164.785 is amended to read as follows:

(1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this section to any applicant who meets the following qualifications:

(a) Is a Kentucky resident as defined by the Kentucky Council on Postsecondary Education;

(b) Has been accepted by or is enrolled as a full time student in a Kentucky independent college or university which is accredited by ***a regional accrediting association recognized by the United States Department of Education***[~~the Southern Association of Colleges and Schools~~] and whose institutional programs are not comprised solely of a sectarian instruction. An otherwise eligible student having a disability defined by Title II of the Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.), certified by a licensed physician to be unable to attend the eligible program of study full-time because of the disability may also qualify under this paragraph;

(c) Is not enrolled in a program of study leading to a degree in theology, divinity, or religious education; and

(d) Has not previously attended college or university for more than seven (7) semesters or the equivalent.

(2) The amount of the tuition grant to be paid to a student each semester, or appropriate academic term, shall be determined by the Kentucky Higher Education Assistance Authority.

(3) The maximum amount shall not exceed fifty percent (50%) of the average state appropriation per full-time equivalent student enrolled in all public institutions of higher education. Such tuition grants are to be calculated annually by the Kentucky Higher Education Assistance Authority.

(4) The need of each applicant shall be determined by acceptable need analysis such as the parents' confidential statement of the college scholarship service, and such other analyses as the authority may determine, subject to the approval by the United States Secretary of Education.

(5) An adjustment shall be made in the tuition grant of any student awarded a scholarship from any other source provided the combination of grants and awards exceeds the calculated need of the student.

Section 3. KRS 164.753 is amended to read as follows:

(1) In the instance of loans, the rules and regulations adopted by the board may include, but not be limited to, those which:

(a) Are necessary to qualify the authority as an insured lender under the Higher Education Act of 1965, as amended;

(b) Require that loans be made only to those eligible students who are unable to secure comparable loans from private lenders; and

(c) Are necessary to qualify the authority as a lender under the Public Health Service Act, as amended.

(2) In the instance of insured student loans and loan guarantees, the rules and regulations adopted by the board shall include, but not be limited to, those which are necessary to qualify the authority to insure loans under the federal act, as amended, and following such qualification to issue loan guarantees to participating lenders on any loans advanced by such lenders to eligible students attending or planning to attend any participating institution[~~, except that the total amount of all insured student loans that may be guaranteed by the authority shall not at any time exceed fifteen (15) times the loan guarantee fund balance. In determining the total amount of insured student loans that may be guaranteed by the authority, there shall be excluded from the computation of required loan guarantee fund balances eighty percent (80%) of the amount of insured student loans which are reinsured with the United States or any agency thereof pursuant to the federal act~~].

(3) In the instance of scholarships, ***except scholarships provided pursuant to KRS 164.518,*** the rules and regulations adopted by the board shall include, but not be limited to, those which:

(a) Specify ways in which superior academic achievement or ability or special talents will be identified and measured;

(b) Ensure that the amount of scholarship to a student attending or planning to attend a participating institution will not exceed the financial need of the student as determined in accordance with paragraph (f) of this subsection, or the maximum scholarship as established by the board, whichever is less;

(c) Restrict scholarships to persons who are classified as resident students under the rules and regulations of the Council on Postsecondary Education and are not planning to enroll or are not enrolled in a program of study leading to a certificate, diploma or degree in theology, divinity or religious education;

(d) Ensure that scholarships are awarded only to eligible students who have applied for such federal, state, or institutional student financial assistance programs as the authority may require;

(e) Ensure that scholarships are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in a participating institution; and

(f) Ensure, by such needs analysis as the authority may require, that the person is in need of the assistance in order to enroll in or complete an eligible program of study as defined by the board.

(4) In the instance of grants, the rules and regulations adopted by the board shall include, but not be limited to, those which:

(a) Ensure that the amount of a grant to a student will not exceed the financial need of the student as determined in accordance with paragraph (e) of this subsection or the maximum grant as established by the board, whichever is less;

(b) Restrict grants to persons who are classified as resident students under the rules and regulations of the Council on Postsecondary Education and are not planning to enroll or are not enrolled in a program of study leading to a certificate, diploma, or degree in theology, divinity, or religious education;

(c) Ensure that grants are awarded only to eligible students who have applied for such federal, state, or institutional student financial assistance programs as the authority may require;

(d) Ensure that grants are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in a participating institution; and

(e) Ensure, by such needs analysis as the authority may require, that grants be made only to students who have insufficient financial resources to enroll in or complete an eligible program of study as defined by the board.

(5) Funds appropriated to the financial assistance program established by KRS 164.780 and 164.785 shall be administered by the board in accordance with the provisions of KRS 164.780 and 164.785.

(6) In the instance of work-study payments, rules and regulations adopted by the board shall include, but not be limited to, those which require that:

(a) The employment opportunity available for the student will not interfere with the student's normal progress toward a degree, diploma, or certificate;

(b) Contracts to promote increased employment opportunities for eligible students will not result in the displacement of employed workers or impair existing contracts for services; and

(c) The work-study payment will not exceed the financial need of the student or the maximum payment as established by the board, whichever is less.

Section 4. KRS 164.7891 is amended to read as follows:

(1) It is the intent of the General Assembly to establish a scholarship program to provide eligible Kentucky students the opportunity to attend an accredited osteopathic school of medicine located in the Commonwealth and become certified practitioners rendering medical service in the Commonwealth.

(2) The Kentucky Higher Education Assistance Authority may award scholarships, to the extent funds are available for that purpose, to persons who declare an intent to become osteopaths and practice in the Commonwealth and who are eligible under subsection (4) of this section.

(3) The authority may award scholarships to students who meet the following criteria:

(a) Kentucky residents who are United States citizens as determined by the institution in accordance with criteria established by the Council on Postsecondary Education for the purposes of admission and tuition assessment;

(b) Students who are enrolled or accepted for enrollment in an eligible program of study accredited by the Bureau of Professional Education of the American Osteopathy Association or its successor, on a full-time basis, or eligible students who have a disability defined by Title II of the Americans with Disabilities Act, 42 U.S.C. secs. 12131 et seq., certified by a licensed physician to be unable to attend the eligible program of study full-time because of the disability;

(c) Students who agree to render one (1) year of qualified service in the Commonwealth for each year the scholarship was awarded. "Qualified service" means a full-time practice in the Commonwealth of Kentucky as a licensed doctor of osteopathy for a majority of the calendar year in the fields of family practice, general practice, general internal medicine, general pediatrics, general obstetrics, or gynecology, except that an individual having a disability defined by Title II of the Americans with Disabilities Act, 42 U.S.C. secs. 12131 et seq., whose disability, certified by another licensed physician, prevents him or her from practicing full-time, shall be deemed to perform qualified service by practicing the maximum time permitted by the attending physician; and

(d) Students who sign a promissory note as evidence of the scholarship awarded and the obligation to repay the scholarship amount or render medical service as agreed in lieu of payment.

(4) The amount of the scholarship awarded to an eligible student by the authority shall be equal to the difference between:

(a) The average of the prevailing amount charged for in-state tuition at the University of Kentucky School of Medicine and the University of Louisville School of Medicine; and

(b) The prevailing amount charged for tuition at the osteopathic school of medicine in which the student is enrolled.

(5) The authority shall require a promissory note to be executed by the student as evidence of the obligation. The recipient shall render one (1) year of qualified service for each year the scholarship was awarded. Upon completion of each year of qualified service, the authority shall cancel the appropriate number of promissory notes. Promissory notes shall be canceled by qualified service in the order in which the promissory notes were executed. Service credit shall not include residency service. In the event a recipient fails to complete an eligible program of study, or fails to render qualified medical service as a primary care physician as agreed in subsection (3) of this section, the recipient shall be liable for the total repayment of the *sum of all outstanding promissory notes and accrued interest*[~~amount of the scholarship awarded~~].

(6) A scholarship shall not be awarded or a promissory note cancellation shall not be granted to any person who is in default on any obligation to the authority under any program administered by the authority under KRS 164.740 to 164.785 until financial obligations to the authority are satisfied, except that ineligibility for this reason may be waived by the authority for cause.

(7) A repayment obligation imposed by this section shall not be voidable by reason of the age of the recipient at the time of executing the promissory note.

(8) Failure to meet repayment obligations imposed by this section shall be cause for the revocation of the scholarship recipient's license to practice medicine, subject to the procedures set forth in KRS Chapter 311.

(9) Notwithstanding KRS 164.753(3), the authority shall establish by administrative regulation ***or the terms of promissory note*** procedures for the administration of this program, including the execution of appropriate contracts and promissory notes, cancellation of the obligation, ***the rate of*** repayment ***and deferment of repayment*** of outstanding debt, and the priority of awarding scholarships if funds are insufficient to honor all requests.

(10) Notwithstanding any other statute to the contrary, the maximum interest rate applicable to repayment of a promissory note under this section shall be twelve percent (12%) per annum, except that if a judgment is rendered to recover payment, the judgment shall bear interest at the rate of five percent (5%) greater than the rate actually charged on the promissory note.

(11) (a) The "Osteopathic Medicine Scholarship Program" is hereby created as a special trust fund in the State Treasury administered by the Kentucky Higher Education Assistance Authority for the purpose of providing funds for scholarships to eligible students studying osteopathic medicine in schools in the Commonwealth.

(b) Funding shall be transferred to the special trust fund from the coal severance tax revenues levied under KRS 143.020 in an amount that permits each Kentucky resident eligible under subsection (3) of this section to be awarded a scholarship in the amount established under subsection (4) of this section. No more than four percent (4%) of the coal severance tax revenues levied under KRS 143.020 and collected annually shall be transferred to the trust fund. To the extent this appropriation and other funds are available, the authority shall award scholarships to all renewal applicants and eligible students in accordance with the formula for determining the amount of the scholarship award established in this section.

(c) The trust fund may also receive state appropriations, gifts, and grants from public and private sources, and federal funds. Any unallotted or unencumbered balances in the trust fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be credited to the trust fund. Any fund balance at the close of the fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated only for the purposes specified in this section. A general statement that all continuing appropriations are repealed, discontinued, or suspended shall not operate to repeal, discontinue, or suspend this fund or to repeal this section.

(12) On or before August 1 of each year, sixty-five percent (65%) of the amount of funding provided in subsection (11)(b) of this section shall be transferred to the special trust fund and the remaining thirty-five percent (35%) shall be transferred on or before December 1 of each year. The revenue transfers shall be based upon the revenue estimates prevailing at the time each transfer is due.

(13) The calculation and transfer of funds under subsection (11) of this section shall be made only after the quarterly installment of the annual nineteen million dollars ($19,000,000) allocation of coal severance tax revenues has been credited to the benefit reserve fund within the Workers' Compensation Funding Commission as required by KRS 342.122.

Section 5. KRS 164A.350 is amended to read as follows:

For all purposes of Kentucky law, the following shall be applicable:

(1) The trust shall exercise ownership of all contributions made under any participation agreement and all interest derived from the investment of the contributions made by the participant up to the date of utilization for payment of higher education costs for the beneficiary. All contributions made under any participant agreement and interest derived from the investment of the contributions made by the participant shall be deemed to be held in trust for the benefit of the beneficiary;

(2) Any participant may cancel a participation agreement at any time, and terminate the trust's ownership rights thereby created in whole or in part, by delivering an instrument in writing signed and delivered to the program administrator or his designee. In the event the participation agreement is terminated in part, the trust shall retain ownership of all contributions made under the participation agreement not previously expended for the higher education costs of the beneficiary and not returned to the participant. The participant shall retain a reversionary right to receive upon termination the actual market value of the participant's account at the time of the cancellation, including interest, except that the participant ***may***[~~shall~~] be required to pay a penalty upon the interest that has been credited to the participant's account in accordance with subsection (8) of this section;

(3) Any participant may cancel a participation agreement and shall be permitted to transfer funds to the Commonwealth postsecondary education prepaid tuition trust fund established in KRS 164A.701, and in compliance with administrative regulations promulgated by the board for the savings plan trust***;***[~~.~~]

(4) If the beneficiary graduates from an institution of higher education, and a balance remains in the participant's account, then the program administrator shall pay the balance to the participant, except that the participant ***may***[~~shall~~] be required to pay

a penalty upon the interest that has been credited to the participant's account in accordance with subsection (8) of this section;

(5) The institution of higher education shall obtain ownership of the distributions made from the participant's account for the higher education costs paid to the institution at the time each payment is made to the institution;

(6) Any amounts received by the trust pursuant to the Kentucky Educational Savings Plan Trust which are not listed in this section shall be owned by the trust;

(7) A participant may transfer the participant's rights to another eligible participant, including, but not limited to, a gift of the participant's rights to a minor beneficiary pursuant to KRS Chapter 385, except that, notwithstanding KRS 385.202(1), the transfer shall be affected and the property distributed in accordance with administrative regulations promulgated by the board or the terms of the participation agreement;

(8) Notwithstanding any other law to the contrary, if any earnings on contributions are refunded due to cancellation of the participation agreement by the participant or nondistribution of the funds for payment of the beneficiary's higher education costs, the board shall charge a penalty to the participant against the earnings on contributions. No penalty shall be charged when a refund is made due to:

  (a) The death, permanent disability, or mental incapacity of the beneficiary; or

  (b) The beneficiary's receipt of a scholarship, an educational assistance allowance under Chapters 30, 31, 32, 34, or 35 of Title 38, United States Code, or a payment exempt from income taxation by any law of the United States, other than a gift, bequest, devise, or inheritance within the meaning of Section 102(a) of the Internal Revenue Code, 26 U.S.C. sec. 102(a), for educational expenses, or attributable to attendance at an institution of higher education, to the extent that the amount refunded does not exceed the amount of the scholarship, allowance, or payment; and

(9) Notwithstanding any other provision of law to the contrary, contributions and earnings on contributions held by the trust shall be exempt from levy of execution, attachment, garnishment, distress for rent, or fee bill by a creditor of the participant or the beneficiary. No interest of the participant or beneficiary in the trust shall be pledged or otherwise encumbered as security for a debt.

Section 6. KRS 164A.370 is amended to read as follows:

The property of the trust and its income from operations shall be exempt from all taxation by the Commonwealth of Kentucky or any of its political subdivisions. Investment income earned on contributions paid by any participant and used for higher education costs defined in KRS 164A.305***(6)***[~~(7)~~] or refunded under KRS 164A.350***(8)***[~~(7)~~](a) or 164A.350***(8)***[~~(7)~~](b) shall not be subject to Kentucky income tax by either a participant or any beneficiary of a participation agreement, the purposes for which the investment income was accrued being deemed and declared to be entirely public in nature. Earnings that are not used for higher education costs as defined in KRS 164A.305(7) and are refunded shall be subject to Kentucky income tax, except for earnings refunded pursuant to KRS 164A.350***(8)***[~~(7)~~](a) and 164A.350***(8)***[~~(7)~~](b).

The Committee Substitute to **HB 329** is as follows:

HB 329, AN ACT relating to student financial assistance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.740 is amended to read as follows:

As used in KRS 164.740 to 164.785, the terms listed below shall have the following meanings:

(1) "Authority" means the Kentucky Higher Education Assistance Authority.

(2) "Board" means the board of directors of the Kentucky Higher Education Assistance Authority.

(3) "Business school" means any business school which is accredited by the ***Accrediting Commission for Independent Colleges and Schools***[~~Association of Independent Colleges and Schools, the commission for business schools,~~] or any successor ***recognized by the United States Department of Education***, and which provides a program of study leading to the granting of a postsecondary degree or diploma.

(4) "College" means ***an institution governed by the board of regents of the Kentucky Community and Technical College System or*** any postsecondary educational institution of higher learning which is accredited by ***a***[~~the Southern Association of Colleges and Schools, the commission on colleges, or any successor, or other equivalent~~] regional ***or national*** accrediting association ***recognized by the United States Department of Education***, and which provides a program of study leading to the granting of a postsecondary degree***,***[~~ or~~] diploma***, or certificate***.

(5) "Eligible institution" means any educational institution or class of institutions designated pursuant to the federal act or this chapter as eligible to participate in authority-administered programs, provided that no right of participation shall be deemed vested pursuant to this subsection in any institution, including, but not by way of limitation, any college, school of nursing, vocational school, or business school.

(6) "Eligible lender" means any entity described as eligible pursuant to the federal act to make or originate insured student loans, provided that no right of participation shall be deemed vested hereby in any lender.

(7) "Eligible student" means any student enrolled or accepted for enrollment at a participating institution, meeting the criteria established by the federal act and this chapter for the various authority administered programs.

(8) "Endorser" means a person who signs a student loan promissory note as an accommodation party, in the manner of KRS 355.3-419, and is secondarily liable for payment on such note.

(9) "Federal Act" means the Higher Education Act of 1965, Pub. L. 89-329, as amended.

(10) "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other monetary award that requires neither employment nor repayment, except under conditions prescribed by the board, and is based on demonstrated financial need and such other terms and conditions as the board may prescribe.

(11) "Honorary scholarship" means a certificate of merit or achievement or other appropriate document which may be issued by the board to students in recognition of superior academic ability or achievement or a special talent.

(12) "Insured student loan" means a loan to an eligible borrower, who is qualified under the federal act, on which the payment of principal and interest is insured as evidenced by a loan guarantee issued by the authority and reinsured by the secretary under the federal act.

(13) "Loan" means an advance of money, to be used exclusively for payment of educational expenses, evidenced by a promissory note or similar instrument requiring repayment under specified conditions.

(14) "Loan guarantee" means the certificate, document, or endorsement issued by the authority as evidence of insurance of a loan as to both principal and interest and of reinsurance by the secretary under the federal act.

(15) "Participating institution" means any eligible institution, to the extent that it offers an eligible program of study, having a contract in force with the authority, if required by the authority, on such terms as the authority may deem necessary or appropriate to the administration of its programs.

(16) "Participating lender" means any eligible lender, including the authority and the Kentucky Higher Education Loan Corporation, which has in force a contract with the authority providing for loan guarantee to be issued by the authority under the federal act and this chapter.

(17) "Penal institution" means any penitentiary, detention facility, adult correctional facility, jail, or other similar institution operated by the state, local, or federal government or by private business.

(18) "Recognition award" means an advance of money to or on behalf of a student in recognition of superior academic ability, achievement or special talent.

(19) "*Regional accrediting association" means the Accrediting Commission for Senior Colleges and Universities, Commission on Colleges, Commission on Higher Education, Commission on Institutions of Higher Education, Higher Learning Commission, Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, or Western Association of Schools and Colleges.*

(20) "Scholarship" means a gift of money to provide an incentive for fulfillment of a particular public purpose which may be based on financial need and superior academic ability or achievement or a special talent and such other terms and conditions as the board may prescribe.

(21)[~~(20)~~] "School of nursing" means any training program in the field of nursing, including one regarding nurse aides, which is accredited by the Kentucky Board of Nursing Education and Nurse Registration, or any successor, and which provides a program of study leading to the granting of a postsecondary degree or diploma.

(22)[~~(21)~~] "Secretary" means the United States Secretary of Education.

(23)[~~(22)~~] "Vocational school" means[~~ any public vocational school, technical institution, or technology center which is managed and controlled by the board of regents for the Kentucky Community and Technical System and which provides a course of study leading to the granting of a postsecondary certificate or diploma, or~~] a vocational technical school accredited by the *Accrediting Commission for Career Schools and Colleges of Technology or the Council on Occupational Education, or any successor, recognized by the United States Department of Education*[~~national association of trade and technical schools , or any successor,~~] which provides a program of study leading to the granting of a postsecondary degree, diploma, or certificate.

(24)[~~(23)~~] "Work study" means an award of money disbursed by the board at specified intervals to students, or as reimbursement to employers of students, who provide needed services for a specified number of hours in a capacity approved by the board.

Section 2. KRS 164.785 is amended to read as follows:

(1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this section to any applicant who meets the following qualifications:

(a) Is a Kentucky resident as defined by the Kentucky Council on Postsecondary Education;

(b) Has been accepted by or is enrolled as a full time student in a Kentucky independent college or university which is accredited by *a regional or national accrediting association recognized by the United States Department of Education*[~~the Southern Association of Colleges and Schools~~] and whose institutional programs are not comprised solely of a sectarian instruction. An otherwise eligible student having a disability defined by Title II of the Americans with Disabilities Act (42 U.S.C. secs. 12131 et seq.), certified by a licensed physician to be unable to attend the eligible program of study full-time because of the disability may also qualify under this paragraph;

(c) Is not enrolled in a program of study leading to a degree in theology, divinity, or religious education; and

(d) Has not previously attended college or university for more than seven (7) semesters or the equivalent.

(2) The amount of the tuition grant to be paid to a student each semester, or appropriate academic term, shall be determined by the Kentucky Higher Education Assistance Authority.

(3) The maximum amount shall not exceed fifty percent (50%) of the average state appropriation per full-time equivalent student enrolled in all public institutions of higher education. Such tuition grants are to be calculated annually by the Kentucky Higher Education Assistance Authority.

(4) The need of each applicant shall be determined by acceptable need analysis such as the parents' confidential statement of the college scholarship service, and such other analyses as the authority may determine, subject to the approval by the United States Secretary of Education.

(5) An adjustment shall be made in the tuition grant of any student awarded a scholarship from any other source provided the combination of grants and awards exceeds the calculated need of the student.

Section 3. KRS 164.753 is amended to read as follows:

(1) In the instance of loans, the rules and regulations adopted by the board may include, but not be limited to, those which:

(a) Are necessary to qualify the authority as an insured lender under the Higher Education Act of 1965, as amended;

(b) Require that loans be made only to those eligible students who are unable to secure comparable loans from private lenders; and

(c) Are necessary to qualify the authority as a lender under the Public Health Service Act, as amended.

(2) In the instance of insured student loans and loan guarantees, the rules and regulations adopted by the board shall include, but not be limited to, those which are necessary to qualify the authority to insure loans under the federal act, as amended, and following such qualification to issue loan guarantees to participating lenders on any loans advanced by such lenders to eligible students attending or planning to attend any participating institution[~~, except that the total amount of all insured student loans that may be guaranteed by the authority shall not at any time exceed fifteen (15) times the loan guarantee fund balance. In determining the total amount of insured student loans that may be guaranteed by the authority, there shall be excluded from the computation of required loan guarantee fund balances eighty percent (80%) of the amount of insured student loans which are reinsured with the United States or any agency thereof pursuant to the federal act~~].

(3) In the instance of scholarships, ***except scholarships provided pursuant to KRS 164.518,*** the rules and regulations adopted by the board shall include, but not be limited to, those which:

(a) Specify ways in which superior academic achievement or ability or special talents will be identified and measured;

(b) Ensure that the amount of scholarship to a student attending or planning to attend a participating institution will not exceed the financial need of the student as determined in accordance with paragraph (f) of this subsection, or the maximum scholarship as established by the board, whichever is less;

(c) Restrict scholarships to persons who are classified as resident students under the rules and regulations of the Council on Postsecondary Education and are not planning to enroll or are not enrolled in a program of study leading to a certificate, diploma or degree in theology, divinity or religious education;

(d) Ensure that scholarships are awarded only to eligible students who have applied for such federal, state, or institutional student financial assistance programs as the authority may require;

(e) Ensure that scholarships are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in a participating institution; and

(f) Ensure, by such needs analysis as the authority may require, that the person is in need of the assistance in order to enroll in or complete an eligible program of study as defined by the board.

(4) In the instance of grants, the rules and regulations adopted by the board shall include, but not be limited to, those which:

(a) Ensure that the amount of a grant to a student will not exceed the financial need of the student as determined in accordance with paragraph (e) of this subsection or the maximum grant as established by the board, whichever is less;

(b) Restrict grants to persons who are classified as resident students under the rules and regulations of the Council on Postsecondary Education and are not planning to enroll or are not enrolled in a program of study leading to a certificate, diploma, or degree in theology, divinity, or religious education;

(c) Ensure that grants are awarded only to eligible students who have applied for such federal, state, or institutional student financial assistance programs as the authority may require;

(d) Ensure that grants are awarded only to eligible students who are planning to enroll, accepted for enrollment, or are enrolled as full-time students in a participating institution; and

(e) Ensure, by such needs analysis as the authority may require, that grants be made only to students who have insufficient financial resources to enroll in or complete an eligible program of study as defined by the board.

(5) Funds appropriated to the financial assistance program established by KRS 164.780 and 164.785 shall be administered by the board in accordance with the provisions of KRS 164.780 and 164.785.

(6) In the instance of work-study payments, rules and regulations adopted by the board shall include, but not be limited to, those which require that:

(a) The employment opportunity available for the student will not interfere with the student's normal progress toward a degree, diploma, or certificate;

(b) Contracts to promote increased employment opportunities for eligible students will not result in the displacement of employed workers or impair existing contracts for services; and

(c) The work-study payment will not exceed the financial need of the student or the maximum payment as established by the board, whichever is less.

Section 4. KRS 164.7891 is amended to read as follows:

(1) It is the intent of the General Assembly to establish a scholarship program to provide eligible Kentucky students the opportunity to attend an accredited osteopathic school of medicine located in the Commonwealth and become certified practitioners rendering medical service in the Commonwealth.

(2) The Kentucky Higher Education Assistance Authority may award scholarships, to the extent funds are available for that purpose, to persons who declare an intent to become osteopaths and practice in the Commonwealth and who are eligible under subsection (4) of this section.

(3) The authority may award scholarships to students who meet the following criteria:

(a) Kentucky residents who are United States citizens as determined by the institution in accordance with criteria established by the Council on Postsecondary Education for the purposes of admission and tuition assessment;

(b) Students who are enrolled or accepted for enrollment in an eligible program of study accredited by the Bureau of Professional Education of the American Osteopathy Association or its successor, on a full-time basis, or eligible students who have a disability defined by Title II of the Americans with Disabilities Act, 42 U.S.C. secs. 12131 et seq., certified by a licensed physician to be unable to attend the eligible program of study full-time because of the disability;

(c) Students who agree to render one (1) year of qualified service in the Commonwealth for each year the scholarship was awarded. "Qualified service" means a full-time practice in the Commonwealth of Kentucky as a licensed doctor of osteopathy for a majority of the calendar year in the fields of family practice, general practice, general internal medicine, general pediatrics, general obstetrics, or gynecology, except that an individual having a disability defined by Title II of the Americans with Disabilities Act, 42 U.S.C. secs. 12131 et seq., whose disability, certified by another licensed physician, prevents him or her from practicing full-time, shall be deemed to perform qualified service by practicing the maximum time permitted by the attending physician; and

(d) Students who sign a promissory note as evidence of the scholarship awarded and the obligation to repay the scholarship amount or render medical service as agreed in lieu of payment.

(4) The amount of the scholarship awarded to an eligible student by the authority shall be equal to the difference between:

(a) The average of the prevailing amount charged for in-state tuition at the University of Kentucky School of Medicine and the University of Louisville School of Medicine; and

(b) The prevailing amount charged for tuition at the osteopathic school of medicine in which the student is enrolled.

(5) The authority shall require a promissory note to be executed by the student as evidence of the obligation. The recipient shall render one (1) year of qualified service for each year the scholarship was awarded. Upon completion of each year of qualified service, the authority shall cancel the appropriate number of promissory notes. Promissory notes shall be canceled by qualified service in the order in which the promissory notes were executed. Service credit shall not include residency service. In the event a recipient fails to complete an eligible program of study, or fails to render qualified medical service as a primary care physician as agreed in subsection (3) of this section, the recipient shall be liable for the total repayment of the ***sum of all outstanding promissory notes and accrued interest***[~~amount of the scholarship awarded~~].

(6) A scholarship shall not be awarded or a promissory note cancellation shall not be granted to any person who is in default on any obligation to the authority under any program administered by the authority under KRS 164.740 to 164.785 until financial obligations to the authority are satisfied, except that ineligibility for this reason may be waived by the authority for cause.

(7) A repayment obligation imposed by this section shall not be voidable by reason of the age of the recipient at the time of executing the promissory note.

(8) Failure to meet repayment obligations imposed by this section shall be cause for the revocation of the scholarship recipient's license to practice medicine, subject to the procedures set forth in KRS Chapter 311.

(9) Notwithstanding KRS 164.753(3), the authority shall establish by administrative regulation ***or the terms of promissory***

note procedures for the administration of this program, including the execution of appropriate contracts and promissory notes, cancellation of the obligation, ***the rate of*** repayment ***and deferment of repayment*** of outstanding debt, and the priority of awarding scholarships if funds are insufficient to honor all requests.

(10) Notwithstanding any other statute to the contrary, the maximum interest rate applicable to repayment of a promissory note under this section shall be twelve percent (12%) per annum, except that if a judgment is rendered to recover payment, the judgment shall bear interest at the rate of five percent (5%) greater than the rate actually charged on the promissory note.

(11) (a) The "Osteopathic Medicine Scholarship Program" is hereby created as a special trust fund in the State Treasury administered by the Kentucky Higher Education Assistance Authority for the purpose of providing funds for scholarships to eligible students studying osteopathic medicine in schools in the Commonwealth.

(b) Funding shall be transferred to the special trust fund from the coal severance tax revenues levied under KRS 143.020 in an amount that permits each Kentucky resident eligible under subsection (3) of this section to be awarded a scholarship in the amount established under subsection (4) of this section. No more than four percent (4%) of the coal severance tax revenues levied under KRS 143.020 and collected annually shall be transferred to the trust fund. To the extent this appropriation and other funds are available, the authority shall award scholarships to all renewal applicants and eligible students in accordance with the formula for determining the amount of the scholarship award established in this section.

(c) The trust fund may also receive state appropriations, gifts, and grants from public and private sources, and federal funds. Any unallotted or unencumbered balances in the trust fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be credited to the trust fund. Any fund balance at the close of the fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated only for the purposes specified in this section. A general statement that all continuing appropriations are repealed, discontinued, or suspended shall not operate to repeal, discontinue, or suspend this fund or to repeal this section.

(12) On or before August 1 of each year, sixty-five percent (65%) of the amount of funding provided in subsection (11)(b) of this section shall be transferred to the special trust fund and the remaining thirty-five percent (35%) shall be transferred on or before December 1 of each year. The revenue transfers shall be based upon the revenue estimates prevailing at the time each transfer is due.

(13) The calculation and transfer of funds under subsection (11) of this section shall be made only after the quarterly installment of the annual nineteen million dollars ($19,000,000) allocation of coal severance tax revenues has been credited to the benefit reserve fund within the Workers' Compensation Funding Commission as required by KRS 342.122.

Section 5. KRS 164A.350 is amended to read as follows:

For all purposes of Kentucky law, the following shall be applicable:

(1) The trust shall exercise ownership of all contributions made under any participation agreement and all interest derived from the investment of the contributions made by the participant up to the date of utilization for payment of higher education costs for the beneficiary. All contributions made under any participant agreement and interest derived from the investment of the contributions made by the participant shall be deemed to be held in trust for the benefit of the beneficiary;

(2) Any participant may cancel a participation agreement at any time, and terminate the trust's ownership rights thereby created in whole or in part, by delivering an instrument in writing signed and delivered to the program administrator or his designee. In the event the participation agreement is terminated in part, the trust shall retain ownership of all contributions made under the participation agreement not previously expended for the higher education costs of the beneficiary and not returned to the participant. The participant shall retain a reversionary right to receive upon termination the actual market value of the participant's account at the time of the cancellation, including interest, except that the participant ***may***[~~shall~~] be required to pay a penalty upon the interest that has been credited to the participant's account in accordance with subsection (8) of this section;

(3) Any participant may cancel a participation agreement and shall be permitted to transfer funds to the Commonwealth postsecondary education prepaid tuition trust fund established in KRS 164A.701, and in compliance with administrative regulations promulgated by the board for the savings plan trust***;***[~~.~~]

(4) If the beneficiary graduates from an institution of higher education, and a balance remains in the participant's account, then the program administrator shall pay the balance to the participant, except that the participant ***may***[~~shall~~] be required to pay a penalty upon the interest that has been credited to the participant's account in accordance with subsection (8) of this section;

(5) The institution of higher education shall obtain ownership of the distributions made from the participant's account for the higher education costs paid to the institution at the time each payment is made to the institution;

(6) Any amounts received by the trust pursuant to the Kentucky Educational Savings Plan Trust which are not listed in this section shall be owned by the trust;

(7) A participant may transfer the participant's rights to another eligible participant, including, but not limited to, a gift of the participant's rights to a minor beneficiary pursuant to KRS Chapter 385, except that, notwithstanding KRS 385.202(1), the transfer shall be affected and the property distributed in accordance with administrative regulations promulgated by the

board or the terms of the participation agreement;

(8) Notwithstanding any other law to the contrary, if any earnings on contributions are refunded due to cancellation of the participation agreement by the participant or nondistribution of the funds for payment of the beneficiary's higher education costs, the board shall charge a penalty to the participant against the earnings on contributions. No penalty shall be charged when a refund is made due to:

(a) The death, permanent disability, or mental incapacity of the beneficiary; or

(b) The beneficiary's receipt of a scholarship, an educational assistance allowance under Chapters 30, 31, 32, 34, or 35 of Title 38, United States Code, or a payment exempt from income taxation by any law of the United States, other than a gift, bequest, devise, or inheritance within the meaning of Section 102(a) of the Internal Revenue Code, 26 U.S.C. sec. 102(a), for educational expenses, or attributable to attendance at an institution of higher education, to the extent that the amount refunded does not exceed the amount of the scholarship, allowance, or payment; and

(9) Notwithstanding any other provision of law to the contrary, contributions and earnings on contributions held by the trust shall be exempt from levy of execution, attachment, garnishment, distress for rent, or fee bill by a creditor of the participant or the beneficiary. No interest of the participant or beneficiary in the trust shall be pledged or otherwise encumbered as security for a debt.

Section 6. KRS 164A.370 is amended to read as follows:

The property of the trust and its income from operations shall be exempt from all taxation by the Commonwealth of Kentucky or any of its political subdivisions. Investment income earned on contributions paid by any participant and used for higher education costs defined in KRS 164A.305***(6)***[~~(7)~~] or refunded under KRS 164A.350***(8)***[~~(7)~~](a) or 164A.350***(8)***[~~(7)~~](b) shall not be subject to Kentucky income tax by either a participant or any beneficiary of a participation agreement, the purposes for which the investment income was accrued being deemed and declared to be entirely public in nature. Earnings that are not used for higher education costs as defined in KRS 164A.305(7) and are refunded shall be subject to Kentucky income tax, except for earnings refunded pursuant to KRS 164A.350***(8)***[~~(7)~~](a) and 164A.350***(8)***[~~(7)~~](b).

HB 402, AN ACT relating to teachers and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.420 is amended to read as follows:

Public school funds made available to the credit of each district during any year shall be received, held, and expended by the district board, subject to the provisions of law and administrative regulations of the Kentucky Board of Education. The following restrictions shall govern the expenditure of funds from the public school fund:

(1) The salary paid any rank of teachers shall be at least equivalent to the amount set forth in the biennial budget schedule for each rank and experience for a term of one hundred eighty-five (185) days for full-time service during the regular school year.

(2) ***Beginning with the 2002-2004 biennium,*** the Kentucky Board of Education shall not approve any working budget or salary schedule for local boards of education for any school year unless the one hundred eighty-five (185) day salary schedule for certified staff has been adjusted over the previous year's salary schedule by ***a percentage increase at least equal to the cost-of-living adjustment that is provided state government workers under KRS 18A.355***[~~the lesser of:~~

~~(a) The percent increase in the average annual consumer price index for all urban consumers between the two (2) most recent calendar years, as published by the United States Bureau of Labor Statistics and stated in the statutory budget memorandum and the biennial budget report; or~~

~~(b) The percent increase of the base funding level in the program for support education excellence in Kentucky as defined in KRS 157.320~~].

(3) A district that compensates its teachers or employees for unused sick leave at the time of retirement, pursuant to KRS 161.155, may create an escrow account to maintain the amount of funds necessary to pay teachers or employees who qualify for receipt of the benefit. The fund is limited to not more than fifty percent (50%) of the maximum liability for the current year to be determined according to the number of staff employed by the district on September 15. Interest generated by the account shall be calculated as part of the total amount. The funds shall not be used for any purpose other than compensation for unused sick leave at the time of retirement and shall not be considered as part of the general fund balance in determining available local revenue for purposes of KRS 157.620.

(4) The per pupil capital outlay allotment for each district from the public school fund and from local sources shall be kept in a separate account and may be used by the district only for capital outlay projects approved by the chief state school officer in accordance with requirements of law, and based on a survey made in accordance with administrative regulations of the Kentucky Board of Education. These funds shall be used for the following capital outlay purposes:

(a) For direct payment of construction costs;

(b) For debt service on voted and funding bonds;

(c) For payment or lease-rental agreements under which the board eventually will acquire ownership of a school plant;

(d) For the retirement of any deficit resulting from overexpenditure for capital construction, if such deficit resulted from an emergency declared by the Kentucky Board of Education under KRS 160.550; and

(e) As a reserve fund for the above-named purposes, to be carried forward in ensuing budgets.

(5) The district may contribute capital outlay funds for energy conservation measures under guaranteed energy savings contracts pursuant to KRS 45A.345, 45A.352, and 45A.353. Use of these funds, provided in KRS 45A.353, 56.774, and 58.600, shall be based on the following:

(a) The energy conservation measures shall include facility alteration;

(b) The energy conservation measures shall be identified in the district's approved facility plan;

(c) The current facility systems are consuming excess maintenance and operating costs;

(d) The savings generated by the energy conservation measures are guaranteed;

(e) The capital outlay funds contributed to the energy conservation measures shall be defined as capital cost avoidance as provided in KRS 45A.345(2) and shall be subject to the restrictions on usage as specified in KRS 45A.352(9); and

(f) The equipment that is replaced shall have exceeded its useful life as determined by a life-cycle cost analysis.

(6) If any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above-named purposes, the chief state school officer under administrative regulations of the Kentucky Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses. However, a district which uses capital outlay funds for current expenses shall not be eligible to participate in the School Facilities Construction Commission funds.

(7) If a survey shows that a school district has no capital outlay needs as shown in paragraphs (a), (b), (c), and (d) of subsection (4) of this section, upon approval of the chief state school officer, these funds may be used for school plant maintenance, repair, insurance on buildings, replacement of equipment, purchase of school buses, and the purchase of modern technological equipment, including telecommunications hardware, televisions, computers, and other technological hardware to be utilized for educational purposes only.

(8) In surveying the schools, the Department of Education shall designate each school facility as a permanent, functional, or transitional center.

(a) "Permanent center" means a center which meets the program standards approved by the Kentucky Board of Education, is located so that students are not subjected to an excessive amount of time being transported to the site, and has established an attendance area which will maintain enrollment at capacity but will also avoid overcrowding.

(b) "Functional center" means a center which does not meet all the criteria established for a permanent facility, but is adequate to meet accreditation program standards to insure no substantial academic or building deficiency. The facility plan shall include additions and renovations necessary to meet current accreditation standards for which federal, state, and local funds may be used.

(c) "Transitional center" means a center which the local board of education has determined shall no longer be designated permanent or functional. The center shall be destined to be closed and shall not be eligible for new construction, additions, or major renovation. However, the board of education shall maintain any operating transitional center to provide a safe and healthy environment for students.

(9) If a local school board authorized elementary, middle, or secondary education classes in a facility of a historical settlement school on January 1, 1994, the board shall continue to use the facilities provided by the settlement school if the facilities meet health and safety standards for education facilities as required by administrative regulations. The local school board and the governing body of the settlement school shall enter into a cooperative agreement that delineates the role, responsibilities, and financial obligations for each party.

SECTION 2. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section, "compensation" means the combination of base salary, salary supplements, and other benefits provided a teacher.

(2) (a) A school district may develop differentiated compensation programs that provide additional compensation above the single salary schedule described in Section 1 of this Act and defined in KRS 157.320. Differentiated compensation plans shall have one (1) or more of the following purposes: to recruit and retain teachers in critical shortage areas, to help reduce the number of emergency certified teachers employed in the district, to provide incentives to recruit and retain highly skilled teachers to serve in difficult assignments and hard-to-fill positions, to provide career advancement opportunities for classroom teachers who voluntarily wish to participate, or to reward teachers for increasing their skills, knowledge, and instructional leadership within the district or school.

(b) The Kentucky Board of Education shall promulgate administrative regulations defining the factors that may be included in a differentiated compensation plan and procedures that shall be used in the development and approval of differentiated compensation plans.

(3) (a) There is hereby established a professional compensation fund in the State Treasury. Beginning in the 2002-2004 biennium and thereafter, the fund shall be used to provide grants to school districts to pilot differentiated compensation programs for teachers. During the 2002-2004 biennium, the fund shall provide grants to at least five (5) school districts for a two (2) year period. The number of grants may increase or decrease based on the funds available and as deemed feasible by the Kentucky Department of Education.

(b) The district grants shall be used for one (1) or more of the purposes described in subsection (2)(a) of this section.

(c) The professional compensation fund may receive state appropriations, gifts, and grants from public and private sources, and federal funds. Any unalloted or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be credited to the fund. Any fund balance at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated for the purposes specified in this section.

(d) The fund shall be administered by the Kentucky Department of Education and shall be distributed on the basis of criteria promulgated in an administrative regulation by the Kentucky Board of Education. The administrative regulation shall specify the maximum size of grants, the application and selection process, the obligations of the local board of education, the evaluation and data requirements, and other details as deemed necessary by the board.

(4) Upon request, the Kentucky Department of Education shall provide assistance to any district that wishes to develop a differentiated compensation program.

(5) During the 2002-2004 biennium, the Kentucky Department of Education shall gather information and summarize the characteristics and impact of the various differentiated compensation programs. By October 1, 2004, the department shall provide recommendations to the Interim Joint Committee on Education as to the feasibility of establishing a statewide teacher advancement program or other ideas for modifying teacher compensation.

SECTION 3. A NEW SECTION OF KRS 164.740 TO 164.785 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section unless the context requires otherwise:

(a) "Critical shortage area" means an area in which there are insufficient numbers of fully certified staff in a particular subject, school, or geographic location.

(b) "Emergency certified teacher" means an individual who has not completed certification requirements but has been awarded a temporary certificate for a certification area in which no fully certified teacher was available.

(c) "Qualified teacher" means a teacher who holds the appropriate certification for a position.

(d) "Qualified teaching service" means teaching for at least seventy (70) days each semester or the equivalent in the certification area for which an individual received a forgivable loan in the Kentucky school district that recommended the individual for a loan or in another Kentucky private or public school district in the certification area for which an individual received a forgivable loan if no position was available in the recommending school district at the time when the individual completed his or her certification.

(e) "Semester" means a period which usually makes up one-half (1/2) of a school year or one-half (1/2) of a postsecondary institution's academic year.

(f) "Summer term" means an academic period consisting of one (1) or more sessions of instruction between a spring and a fall semester at a postsecondary education institution.

(2) To increase the number of qualified teachers in local school districts and to reduce the number of emergency certified teachers, there is hereby created the district teacher certification loan fund in the State Treasury. The loans shall be used to provide forgivable loans to emergency certified personnel, fully certified teachers who are willing to seek additional certification in hard-to-fill or critical shortage areas, and paraprofessionals in local school districts to become fully certified teachers and to continue service within the local district.

(3) The fund shall be administered by the Kentucky Higher Education Assistance Authority. The authority shall promulgate administrative regulations to specify the terms and conditions of the award, cancellation, and repayment of loans including, but not limited to, the maximum amount that may be loaned per term and the maximum aggregate amount per applicant, the selection process, eligibility for renewal, the specific administrative procedures for utilizing the funds, and the rate of repayment.

(4) To qualify for a forgivable loan, an applicant shall meet the following requirements:

(a) Be employed by a specific local district as a certified teacher, an emergency full-time or part-time teacher, an emergency substitute teacher, or a paraprofessional at the time he or she makes application for the loan;

(b) Be recommended by the superintendent as an individual that he or she would recommend to be employed in a teaching position for which the applicant is pursuing certification if the applicant fulfills all credentialing requirements;

(c) Be endorsed by the school-based decision making council of the school in which he or she serves to receive a loan for the purposes of obtaining teacher certification in a specific certification area; except that the

endorsement shall not be construed as a commitment of securing a position in the particular school in the future;

(d) Be admitted and enrolled as an undergraduate or graduate student in a Kentucky private or public postsecondary institution that offers a teacher certification program in the area for which he or she is seeking certification; and

(e) Be enrolled in a minimum of six (6) credit hours and not more than nine (9) credit hours during each semester of an academic term while employed concurrently in the school district and in not less than six (6) credit hours during the summer term. If a school district recommends an applicant for a loan under provisions of this section and grants a leave of absence to the employee to pursue certification, the employee shall be enrolled as a full-time undergraduate or graduate student as defined by the institution in which he or she is enrolled.

(5) A participant in a local district alternative certification program as defined in KRS 161.048(2) may be eligible for a loan under provisions of this section to offset costs associated with the program. The authority shall establish by administrative regulation the specific requirements, notwithstanding requirements in subsection (4) of this section.

(6) A loan shall not be awarded or a promissory note cancellation shall not be granted to any person who is in default on any obligation to the authority under any program administered pursuant to KRS 164.740 to 164.785 until financial obligations to the authority are satisfied, except that ineligibility for this reason may be waived by the authority for cause.

(7) Recipients shall render one (1) semester of qualified teaching service for each semester or summer term for which a loan was received. Upon completion of each semester of qualified teacher service, the authority shall cancel the appropriate portion of the promissory notes.

(8) If the recipient of a loan fails to complete the certification at a participating institution or fails to render qualified teaching service in any semester following certification, unless the failure is temporarily waived for cause by the authority, the recipient shall immediately become liable to the authority for repayment of the sum of all outstanding promissory notes and accrued interest. Persons liable for repayment of loans under this paragraph shall be liable for interest accruing from the dates on which the loans were disbursed.

(9) Failure to meet repayment obligations imposed by this section shall be cause for the revocation of a person's certification, subject to the procedures set forth in KRS 161.120.

(10) All moneys repaid to the authority under this section shall be added to the fund in this section. Any fund balance at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated for the purposes specified in this section.

(11) The authority may execute appropriate contracts and promissory notes for administering this section.

(12) If available funds are insufficient for all requested loans for eligible applicants during any fiscal year, the authority shall give priority consideration to eligible applicants who previously received loans. If funds are insufficient to make all requested renewal loans to eligible applicants, the authority shall reduce all loans to the extent necessary to provide loans to all qualified renewal applicants. If, after awarding all eligible renewal applicants, funds are not depleted, priority shall be given to loans for those applicants who are seeking certification in critical shortage areas.

Section 4. KRS 156.553 is amended to read as follows:

(1) The Teachers' Professional Growth Fund is hereby created to provide teachers with high quality professional development in content knowledge in[~~ the core disciplines of~~] mathematics, science, language arts,[~~ and~~] social studies*, arts and humanities, practical living, vocational studies, and foreign languages* as well as teaching methodologies to impart the content to students. During the years 2000 to 2004, priority for funding shall be given to middle school teachers, and, based upon available funds, and in subsequent years, funding shall be made available to teachers in all grade levels in the subject areas listed in this subsection.[~~ During the years 2000 to 2002, improving the content knowledge of mathematics by middle school teachers shall be given priority in the use of funds, except that the Department of Education may approve funding for improving teachers' knowledge and skills in other content areas if all funds are not needed for middle school mathematics teachers. In subsequent years,~~] *Based on available funds, student achievement data, and teacher data,* the *Kentucky Board of Education*[~~Department of Education, under provisions of this section,~~] shall *annually* determine the priority for content emphasis *based on the greatest needs*.

(2) The fund may provide moneys to teachers for:

(a) Tuition reimbursement for successful completion of college or university level courses*, including on-line courses and seminars,* approved for this purpose by the Education Professional Standards Board;

(b) Stipends for participation in and successful completion of:

1. College or university courses*, including on-line courses and seminars,* approved for this purpose by the Education Professional Standards Board;

2. Teacher institutes developed for core content instructors by the Department of Education in compliance with KRS 156.095; and

3. Other professional development programs approved by the Kentucky Department of Education;[~~ and~~]

(c) ***Reimbursement for the purchase of materials required for professional development programs; and***

(d) Reimbursement for other approved professional development activities throughout the school year, including reimbursement for:

1. Travel to and from professional development workshops; and

2. Travel to and from other schools for the observation of, and consultation with, peer mentors.

(3) The Education Professional Standards Board shall determine the college and university courses***, including on-line courses and seminars,*** for which teachers may receive reimbursement from the fund.

(4) The Department of Education shall:

(a) Administer the fund. In order to process reimbursements to teachers promptly, the reimbursements shall not be subject to KRS 45A.690 to KRS 45A.725;

(b) Determine the professional development programs for which teachers may receive reimbursement from the fund;

(c) Determine the level of stipend or reimbursement, subject to the availability of appropriated funds, for particular courses and programs, under subsection (2) of this section; and

(d) Provide an accounting of fund expenditures to the Center for Middle School Academic Achievement, upon request of the center, for use in preparing the center's annual report.

(5) The professional development programs approved by the Department of Education for which teachers may receive support from the fund shall:

(a) Focus on improving the content knowledge of~~[core discipline]~~ teachers;

(b) Provide instruction on teaching methods to effectively impart~~[core discipline]~~ content knowledge to all students;

(c) Include intensive training institutes and workshops during the summer;

(d) Provide programs for the ongoing support of teacher participants throughout the year, which may include:

1. A peer coaching or mentoring, and assessment program; and

2. Planned activities, including:

a. Follow-up workshops; and

b. Support networks of teachers of the core disciplines using technologies including, but not limited to, telephone, video, and on-line computer networks; and

(e) Provide teacher participants with professional development credit toward renewal of certification under the provisions of KRS 161.095, relating to continuing education for teachers.

(6) The Kentucky Board of Education shall specify through promulgation of administrative regulations:

(a) The application and approval process for receipt of funds;

(b) The requirements and process for the disbursal of funds; and

(c) The number of each kind of approved course for which applicants may receive funds.

(7) ***Notwithstanding any other provisions to the contrary, a local school board may advance the funds necessary for its teachers to participate in a college course, or professional development seminar or activity, approved by the Kentucky Department of Education and the Education Professional Standards Board under provisions of this section and receive reimbursement from the department at the conclusion of the activity or course by the teacher. If funds are advanced for the benefit of a teacher under this subsection, but the teacher does not fulfill his or her obligation, the teacher shall reimburse the school district for the funds expended by the district on the teacher's behalf.***

(8) Notwithstanding the provisions of KRS 45.229, unexpended funds in the Teachers' Professional Growth Fund in the 2000-2001 fiscal year or in any subsequent fiscal year shall not lapse but shall carry forward to the next fiscal year and shall be used for the purposes established in subsections (1) and (2) of this section.

Section 5. Between July 15, 2002, and August 31, 2003, the Interim Joint Committee on Education shall conduct a study of the effectiveness and efficiency of the principal and teacher internship programs and shall make recommendations to the Legislative Research Commission regarding any changes, including recommendations relating to extending support for new teachers for a second year, stipends for teachers who serve as resource teachers, and other appropriate changes. Provisions of this section to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Section 6. Whereas it will require time for the Kentucky Board of Education to develop administrative regulations and school districts to determine whether or not they wish to develop differentiated teacher compensation plans, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

The Committee Substitute to **HB 402** is as follows:

HB 402, AN ACT relating to teachers and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.420 is amended to read as follows:

Public school funds made available to the credit of each district during any year shall be received, held, and expended by the district board, subject to the provisions of law and administrative regulations of the Kentucky Board of Education. The following restrictions shall govern the expenditure of funds from the public school fund:

(1) The salary paid any rank of teachers shall be at least equivalent to the amount set forth in the biennial budget schedule for each rank and experience for a term of one hundred eighty-five (185) days for full-time service during the regular school year.

(2) ***Beginning with the 2002-2004 biennium,*** the Kentucky Board of Education shall not approve any working budget or salary schedule for local boards of education for any school year unless the one hundred eighty-five (185) day salary schedule for certified staff has been adjusted over the previous year's salary schedule by ***a percentage increase at least equal to the cost-of-living adjustment that is provided state government workers under KRS 18A.355. The base funding level in the program for support education excellence in Kentucky as defined in KRS 157.320 shall be increased by the statewide dollar value of the annual required cost-of-living percentage adjustment that shall be estimated on the sum of the previous year's statewide teachers' salaries***[~~the lesser of:~~

~~(a) The percent increase in the average annual consumer price index for all urban consumers between the two (2) most recent calendar years, as published by the United States Bureau of Labor Statistics and stated in the statutory budget memorandum and the biennial budget report; or~~

~~(b) The percent increase of the base funding level in the program for support education excellence in Kentucky as defined in KRS 157.320~~].

(3) A district that compensates its teachers or employees for unused sick leave at the time of retirement, pursuant to KRS 161.155, may create an escrow account to maintain the amount of funds necessary to pay teachers or employees who qualify for receipt of the benefit. The fund is limited to not more than fifty percent (50%) of the maximum liability for the current year to be determined according to the number of staff employed by the district on September 15. Interest generated by the account shall be calculated as part of the total amount. The funds shall not be used for any purpose other than compensation for unused sick leave at the time of retirement and shall not be considered as part of the general fund balance in determining available local revenue for purposes of KRS 157.620.

(4) The per pupil capital outlay allotment for each district from the public school fund and from local sources shall be kept in a separate account and may be used by the district only for capital outlay projects approved by the chief state school officer in accordance with requirements of law, and based on a survey made in accordance with administrative regulations of the Kentucky Board of Education. These funds shall be used for the following capital outlay purposes:

  (a) For direct payment of construction costs;

  (b) For debt service on voted and funding bonds;

  (c) For payment or lease-rental agreements under which the board eventually will acquire ownership of a school plant;

  (d) For the retirement of any deficit resulting from overexpenditure for capital construction, if such deficit resulted from an emergency declared by the Kentucky Board of Education under KRS 160.550; and

  (e) As a reserve fund for the above-named purposes, to be carried forward in ensuing budgets.

(5) The district may contribute capital outlay funds for energy conservation measures under guaranteed energy savings contracts pursuant to KRS 45A.345, 45A.352, and 45A.353. Use of these funds, provided in KRS 45A.353, 56.774, and 58.600, shall be based on the following:

  (a) The energy conservation measures shall include facility alteration;

  (b) The energy conservation measures shall be identified in the district's approved facility plan;

  (c) The current facility systems are consuming excess maintenance and operating costs;

  (d) The savings generated by the energy conservation measures are guaranteed;

  (e) The capital outlay funds contributed to the energy conservation measures shall be defined as capital cost avoidance as provided in KRS 45A.345(2) and shall be subject to the restrictions on usage as specified in KRS 45A.352(9); and

  (f) The equipment that is replaced shall have exceeded its useful life as determined by a life-cycle cost analysis.

(6) If any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above-named purposes, the chief state school officer under administrative regulations of the Kentucky Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses. However, a district which uses capital outlay funds for current expenses shall not be eligible to participate in the School Facilities Construction Commission funds.

(7) If a survey shows that a school district has no capital outlay needs as shown in paragraphs (a), (b), (c), and (d) of subsection (4) of this section, upon approval of the chief state school officer, these funds may be used for school plant maintenance, repair, insurance on buildings, replacement of equipment, purchase of school buses, and the purchase of modern technological equipment, including telecommunications hardware, televisions, computers, and other technological hardware to be utilized for educational purposes only.

(8) In surveying the schools, the Department of Education shall designate each school facility as a permanent, functional, or transitional center.

(a) "Permanent center" means a center which meets the program standards approved by the Kentucky Board of Education, is located so that students are not subjected to an excessive amount of time being transported to the site, and has established an attendance area which will maintain enrollment at capacity but will also avoid overcrowding.

(b) "Functional center" means a center which does not meet all the criteria established for a permanent facility, but is adequate to meet accreditation program standards to insure no substantial academic or building deficiency. The facility plan shall include additions and renovations necessary to meet current accreditation standards for which federal, state, and local funds may be used.

(c) "Transitional center" means a center which the local board of education has determined shall no longer be designated permanent or functional. The center shall be destined to be closed and shall not be eligible for new construction, additions, or major renovation. However, the board of education shall maintain any operating transitional center to provide a safe and healthy environment for students.

(9) If a local school board authorized elementary, middle, or secondary education classes in a facility of a historical settlement school on January 1, 1994, the board shall continue to use the facilities provided by the settlement school if the facilities meet health and safety standards for education facilities as required by administrative regulations. The local school board and the governing body of the settlement school shall enter into a cooperative agreement that delineates the role, responsibilities, and financial obligations for each party.

SECTION 2. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section, "compensation" means the combination of base salary, salary supplements, and other benefits provided a teacher.

(2) (a) A school district may develop differentiated compensation programs that provide additional compensation above the single salary schedule described in Section 1 of this Act and defined in KRS 157.320. Differentiated compensation plans shall have one (1) or more of the following purposes: to recruit and retain teachers in critical shortage areas, to help reduce the number of emergency certified teachers employed in the district, to provide incentives to recruit and retain highly skilled teachers to serve in difficult assignments and hard-to-fill positions, to provide career advancement opportunities for classroom teachers who voluntarily wish to participate, or to reward teachers for increasing their skills, knowledge, and instructional leadership within the district or school.

(b) The Kentucky Board of Education shall promulgate administrative regulations defining the factors that may be included in a differentiated compensation plan and procedures that shall be used in the development and approval of differentiated compensation plans.

(3) (a) There is hereby established a professional compensation fund in the State Treasury. Beginning in the 2002-2004 biennium and thereafter, the fund shall be used to provide grants to school districts to pilot differentiated compensation programs for teachers. During the 2002-2004 biennium, the fund shall provide grants to at least five (5) school districts for a two (2) year period. The number of grants may increase or decrease based on the funds available and as deemed feasible by the Kentucky Department of Education.

(b) The district grants shall be used for one (1) or more of the purposes described in subsection (2)(a) of this section.

(c) The professional compensation fund may receive state appropriations, gifts, and grants from public and private sources, and federal funds. Any unalloted or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be credited to the fund. Any fund balance at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated for the purposes specified in this section.

(d) The fund shall be administered by the Kentucky Department of Education and shall be distributed on the basis of criteria promulgated in an administrative regulation by the Kentucky Board of Education. The administrative regulation shall specify the maximum size of grants, the application and selection process, the obligations of the local board of education, the evaluation and data requirements, and other details as deemed necessary by the board.

(4) Upon request, the Kentucky Department of Education shall provide assistance to any district that wishes to develop a differentiated compensation program.

(5) During the 2002-2004 biennium, the Kentucky Department of Education shall gather information and summarize the

characteristics and impact of the various differentiated compensation programs. By October 1, 2004, the department shall provide recommendations to the Interim Joint Committee on Education as to the feasibility of establishing a statewide teacher advancement program or other ideas for modifying teacher compensation.

SECTION 3. A NEW SECTION OF KRS 164.740 TO 164.785 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section unless the context requires otherwise:

(a) "Critical shortage area" means an area in which there are insufficient numbers of fully certified staff in a particular subject, school, or geographic location.

(b) "Emergency certified teacher" means an individual who has not completed certification requirements but has been awarded a temporary certificate for a certification area in which no fully qualified teacher was available.

(c) "Qualified teacher" means a teacher who holds the appropriate certification for a position unless the superintendent of the employing local school district has documented evidence that the teacher is unsuitable for appointment.

(d) "Qualified teaching service" means teaching for at least seventy (70) days each semester or the equivalent in the certification area for which an individual received a forgivable loan in the Kentucky school district that recommended the individual for a loan or in another Kentucky private or public school district in the certification area for which an individual received a forgivable loan if no position was available in the recommending school district at the time when the individual completed his or her certification.

(e) "Semester" means a period which usually makes up one-half (1/2) of a school year or one-half (1/2) of a postsecondary institution's academic year.

(f) "Summer term" means an academic period consisting of one (1) or more sessions of instruction between a spring and a fall semester at a postsecondary education institution.

(2) To increase the number of qualified teachers in local school districts and to reduce the number of emergency certified teachers, there is hereby created the district teacher certification loan fund in the State Treasury. The loans shall be used to provide forgivable loans to emergency certified personnel, fully certified teachers who are willing to seek additional certification in hard-to-fill or critical shortage areas, and paraprofessionals in local school districts to become fully certified teachers and to continue service within the local district.

(3) The fund shall be administered by the Kentucky Higher Education Assistance Authority. The authority shall promulgate administrative regulations to specify the terms and conditions of the award, cancellation, and repayment of loans including, but not limited to, the maximum amount that may be loaned per term and the maximum aggregate amount per applicant, the selection process, eligibility for renewal, the specific administrative procedures for utilizing the funds, and the rate of repayment.

(4) To qualify for a forgivable loan, an applicant shall meet the following requirements:

(a) Be employed by a specific local district as a certified teacher, an emergency full-time or part-time teacher, an emergency substitute teacher, or a paraprofessional at the time he or she makes application for the loan;

(b) Be recommended by the superintendent as an individual that he or she would recommend to be employed in a teaching position for which the applicant is pursuing certification if the applicant fulfills all credentialing requirements;

(c) Be endorsed by the school-based decision making council of the school in which he or she serves to receive a loan for the purposes of obtaining teacher certification in a specific certification area; except that the endorsement shall not be construed as a commitment of securing a position in the particular school in the future;

(d) Be admitted and enrolled as an undergraduate or graduate student in a Kentucky private or public postsecondary institution that offers a teacher certification program in the area for which he or she is seeking certification; and

(e) Be enrolled in a minimum of six (6) credit hours and not more than nine (9) credit hours during each semester of an academic term while employed concurrently in the school district and in not less than six (6) credit hours during the summer term. If a school district recommends an applicant for a loan under provisions of this section and grants a leave of absence to the employee to pursue certification, the employee shall be enrolled as a full-time undergraduate or graduate student as defined by the institution in which he or she is enrolled.

(5) A participant in a local district alternative certification program as defined in KRS 161.048(2) may be eligible for a loan under provisions of this section to offset costs associated with the program. The authority shall establish by administrative regulation the specific requirements, notwithstanding requirements in subsection (4) of this section.

(6) A loan shall not be awarded or a promissory note cancellation shall not be granted to any person who is in default on any obligation to the authority under any program administered pursuant to KRS 164.740 to 164.785 until financial obligations to the authority are satisfied, except that ineligibility for this reason may be waived by the authority for cause.

(7) Recipients shall render one (1) semester of qualified teaching service for each semester or summer term for which a

loan was received. Upon completion of each semester of qualified teacher service, the authority shall cancel the appropriate portion of the promissory notes.

(8) If the recipient of a loan fails to complete the certification at a participating institution or fails to render qualified teaching service in any semester following certification, unless the failure is temporarily waived for cause by the authority, the recipient shall immediately become liable to the authority for repayment of the sum of all outstanding promissory notes and accrued interest. Persons liable for repayment of loans under this paragraph shall be liable for interest accruing from the dates on which the loans were disbursed.

(9) Failure to meet repayment obligations imposed by this section shall be cause for the revocation of a person's certification, subject to the procedures set forth in KRS 161.120.

(10) All moneys repaid to the authority under this section shall be added to the fund in this section. Any fund balance at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated for the purposes specified in this section.

(11) The authority may execute appropriate contracts and promissory notes for administering this section.

(12) If available funds are insufficient for all requested loans for eligible applicants during any fiscal year, the authority shall give priority consideration to eligible applicants who previously received loans. If funds are insufficient to make all requested renewal loans to eligible applicants, the authority shall reduce all loans to the extent necessary to provide loans to all qualified renewal applicants. If, after awarding all eligible renewal applicants, funds are not depleted, priority shall be given to loans for those applicants who are seeking certification in critical shortage areas.

Section 4. KRS 156.553 is amended to read as follows:

(1) The Teachers' Professional Growth Fund is hereby created to provide teachers with high quality professional development in content knowledge in[~~ the core disciplines of~~] mathematics, science, language arts,[~~ and~~] social studies***, arts and humanities, practical living, vocational studies, and foreign languages*** as well as teaching methodologies to impart the content to students. During the years 2000 to 2004, priority for funding shall be given to middle school teachers, and, based upon available funds, and in subsequent years, funding shall be made available to teachers in all grade levels in the subject areas listed in this subsection.[~~ During the years 2000 to 2002, improving the content knowledge of mathematics by middle school teachers shall be given priority in the use of funds, except that the Department of Education may approve funding for improving teachers' knowledge and skills in other content areas if all funds are not needed for middle school mathematics teachers. In subsequent years,~~] ***Based on available funds, student achievement data, and teacher data,*** the ***Kentucky Board of Education***[~~Department of Education, under provisions of this section,~~] shall ***annually*** determine the priority for content emphasis ***based on the greatest needs***.

(2) The fund may provide moneys to teachers for:

(a) Tuition reimbursement for successful completion of college or university level courses***, including on-line courses and seminars,*** approved for this purpose by the Education Professional Standards Board;

(b) Stipends for participation in and successful completion of:

1. College or university courses***, including on-line courses and seminars,*** approved for this purpose by the Education Professional Standards Board;

2. Teacher institutes developed for core content instructors by the Department of Education in compliance with KRS 156.095; and

3. Other professional development programs approved by the Kentucky Department of Education;[~~ and~~]

(c) ***Reimbursement for the purchase of materials required for professional development programs; and***

(d) Reimbursement for other approved professional development activities throughout the school year, including reimbursement for:

1. Travel to and from professional development workshops; and

2. Travel to and from other schools for the observation of, and consultation with, peer mentors.

(3) The Education Professional Standards Board shall determine the college and university courses***, including on-line courses and seminars,*** for which teachers may receive reimbursement from the fund.

(4) The Department of Education shall:

(a) Administer the fund. In order to process reimbursements to teachers promptly, the reimbursements shall not be subject to KRS 45A.690 to KRS 45A.725;

(b) Determine the professional development programs for which teachers may receive reimbursement from the fund;

(c) Determine the level of stipend or reimbursement, subject to the availability of appropriated funds, for particular courses and programs, under subsection (2) of this section; and

(d) Provide an accounting of fund expenditures to the Center for Middle School Academic Achievement, upon request of the center, for use in preparing the center's annual report.

(5) The professional development programs approved by the Department of Education for which teachers may receive support

from the fund shall:

(a) Focus on improving the content knowledge of~~[core discipline]~~ teachers;

(b) Provide instruction on teaching methods to effectively impart~~[core discipline]~~ content knowledge to all students;

(c) Include intensive training institutes and workshops during the summer;

(d) Provide programs for the ongoing support of teacher participants throughout the year, which may include:

1. A peer coaching or mentoring, and assessment program; and

2. Planned activities, including:

a. Follow-up workshops; and

b. Support networks of teachers of the core disciplines using technologies including, but not limited to, telephone, video, and on-line computer networks; and

(e) Provide teacher participants with professional development credit toward renewal of certification under the provisions of KRS 161.095, relating to continuing education for teachers.

(6) The Kentucky Board of Education shall specify through promulgation of administrative regulations:

(a) The application and approval process for receipt of funds;

(b) The requirements and process for the disbursal of funds; and

(c) The number of each kind of approved course for which applicants may receive funds.

(7) ***Notwithstanding any other provisions to the contrary, a local school board may advance the funds necessary for its teachers to participate in a college course, or professional development seminar or activity, approved by the Kentucky Department of Education and the Education Professional Standards Board under provisions of this section and receive reimbursement from the department at the conclusion of the activity or course by the teacher. If funds are advanced for the benefit of a teacher under this subsection, but the teacher does not fulfill his or her obligation, the teacher shall reimburse the school district for the funds expended by the district on the teacher's behalf.***

(8) Notwithstanding the provisions of KRS 45.229, unexpended funds in the Teachers' Professional Growth Fund in the 2000-2001 fiscal year or in any subsequent fiscal year shall not lapse but shall carry forward to the next fiscal year and shall be used for the purposes established in subsections (1) and (2) of this section.

Section 5. KRS 157.390 is amended to read as follows:

(1) For purposes of the state teacher salary schedule, teachers shall be placed on the schedule based on certification rank as established by the Education Professional Standards Board under KRS 161.1211 and by their years of experience as follows:

1. Zero (0) to three (3) years;
2. Four (4) to nine (9) years;
3. Ten (10) to fourteen (14) years;
4. Fifteen (15) to nineteen (19) years; and
5. Twenty (20) or more years.

(2) The rank and experience of the teacher shall be determined on September 15 of each year.

(3) The amount to be included in the base funding level for capital outlay shall be determined by multiplying the average daily attendance by the amounts set forth in the biennial budget.

(4) The amount to be included in the public school fund of each district for transportation shall be determined in accordance with the provisions of KRS 157.370.

(5) The total amount of money distributable to each district from the public school fund shall include the base funding per pupil in average daily attendance, an amount for at-risk students, an amount for the types and numbers of students with disabilities, an amount for students served in home and hospital settings, and the allotments in subsections (3) and (4) of this section, less the amount of local tax revenues generated for school purposes, up to a maximum equivalent local rate of thirty cents ($0.30) as defined by KRS 157.615(6).

(6) A classroom teacher or administrator may be provided additional compensation***, funds for instructional and program materials, and other related costs*** for serving as a classroom mentor, teaching partner, or professional development leader in core discipline areas including reading, and other subject areas as appropriate to other education professionals in a state approved program or state approved activities. The Kentucky Department of Education shall administer the funds appropriated for these purposes. The Kentucky Board of Education shall promulgate administrative regulations to define the guidelines for programs and activities that qualify for funds including the application and approval process, the individual participant requirements, the amount of compensation, the timelines, and reporting requirements. The board shall solicit recommendations from the Education Professional Standards Board and staff of the Kentucky Department of Education in developing its administrative regulations.

Section 6. Between July 15, 2002, and August 31, 2003, the Interim Joint Committee on Education shall conduct a study of the effectiveness and efficiency of the principal and teacher internship programs and shall make recommendations to the Legislative Research Commission regarding any changes, including recommendations relating to extending support for new teachers for a second year, stipends for teachers who serve as resource teachers, and other appropriate changes. Provisions of this section to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Section 7. Whereas it will require time for the Kentucky Board of Education to develop administrative regulations and school districts to determine whether or not they wish to develop differentiated teacher compensation plans, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

HB 505, AN ACT relating to postsecondary education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 164.746 is amended to read as follows:

(1) The authority shall be governed, all of its powers shall be exercised, and its duties and functions shall be performed by a board of directors. The board shall consist of seven (7) voting members who shall be appointed by the Governor. In addition, the president of the Council on Postsecondary Education, the State Treasurer, and the secretary of the ***Cabinet of Finance and Administration***[~~Department of Finance~~] shall serve as nonvoting ex officio members. The term of office of appointed members shall be four (4) years. Each member shall serve for the term for which he is appointed and until his successor is appointed.

(2) Appointments to fill vacancies on the board shall be made in the same manner as regular appointments. The person appointed shall hold the position for the unexpired portion of the term only.

(3) The board shall elect from its voting membership a chairman and chairman-elect who shall each serve for a term of one (1) year. At the conclusion of the chairman's term of office, the chairman-elect shall become chairman for the succeeding year and the board shall elect from its voting membership a new chairman-elect.

(4) Board members***, except officers or employees of the state,*** shall receive compensation for their services, in the amount of ***one hundred dollars ($100)***[~~sixty five dollars ($65)~~] per day, and may be reimbursed for actual and necessary expenses incurred in the performance of their duties under KRS 164.740 to 164.785.

(5) The board shall provide for the holding of regular meetings and special meetings.

  (a) A majority of the voting members shall constitute a quorum for the transaction of any business, special meetings shall be called by the chairman in accordance with KRS 61.823, and either the chairman or the chairman-elect shall be present for the transaction of any business.

  (b) In lieu of personal attendance by members of the board of directors at the same location, the board of directors may conduct meetings by teleconference or other available technological means suitable for conducting its business. Meetings of the board shall be open and accessible to the public in accordance with KRS 61.805 to 61.850, and any alternate method of conducting a meeting in lieu of personal attendance shall ensure public access.

(6) The board shall adopt bylaws and policies governing its internal affairs and the conduct of its business, and shall adopt administrative regulations pursuant to KRS Chapter 13A, not inconsistent with law, in connection with the administration of the authority's programs and the performance of its functions and duties.

(7) The board may:

  (a) Appoint such officers and employees as necessary and may fix their compensation, and shall prescribe their duties notwithstanding personnel limits established by KRS 18A.010 or the biennial budget and its related documents; and

  (b) Adopt the provisions of KRS 45A.345 to 45A.460, pursuant to KRS 45A.343.

(8) The Office of the Treasurer and the board of the Kentucky Higher Education Assistance Authority shall work together to jointly market, as appropriate, the Commonwealth Prepaid Tuition Plan and the Savings Plan established in KRS 164A.300.

Section 2. KRS 164A.050 is amended to read as follows:

(1) There is hereby created and established an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky which shall be a body corporate and politic to be known and identified as the Kentucky Higher Education Student Loan Corporation.

(2) The Kentucky Higher Education Student Loan Corporation is created and established as an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky to perform essential governmental and public functions and purposes in improving and otherwise promoting the educational opportunities of the citizens and inhabitants of the Commonwealth of Kentucky and other qualified students by a program of financing, making, and purchasing of insured student loans.

(3) The corporation shall be governed by a board of directors consisting of eleven (11) members, eight (8) of whom shall be chosen from the general public residing in the Commonwealth of Kentucky and three (3) of whom shall be the chairman of

the Council on Postsecondary Education, the secretary of the Finance and Administration Cabinet, and the chairman of the Kentucky Higher Education Assistance Authority.

(4) The Governor shall appoint the eight (8) directors from nominees submitted by the Governor's Higher Education Nominating Committee under KRS 164.005 to take office and to exercise all powers thereof immediately. The terms shall be staggered and shall be for a period of four (4) years each. Each director shall serve for the appointed term and until a successor has been appointed and has duly qualified.

(5) In the event of a vacancy, the Governor may appoint a replacement director from nominees submitted by the Governor's Higher Education Nominating Committee under KRS 164.005 who shall hold office during the remainder of the term so vacated.

(6) The Governor may remove any director from the general public in case of incompetency, neglect of duties, gross immorality, or malfeasance in office; and may thereupon declare such office vacant and may appoint a person to fill such vacancy as provided in other cases of vacancy.

(7) The board shall elect from its voting membership a chairman, secretary, and treasurer. The executive director of the Kentucky Higher Education Assistance Authority shall serve as executive director of the corporation.

(8) The executive director shall administer, manage, and direct the affairs and business of the corporation, subject to the policies, control, and direction of the board of directors of the corporation. The secretary of the corporation shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents, and papers filed with the corporation, the minute book or journal of the corporation, and its official seal. The secretary may copy all minutes and other records and documents of the corporation and give certificates under the official seal of the corporation to the effect that such copies are true copies and all persons dealing with the corporation may rely upon such certificates.

(9) A majority of the board of directors of the corporation shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes notwithstanding the existence of any vacancies in respect of the board of directors.

(10) Official actions may be taken by the corporation at meetings duly called by the chairman upon three (3) days' written notice to each director or upon the concurrence of at least a majority of the directors. ***In lieu of personal attendance by members of the board of directors at the same location, the board of directors may conduct meetings by teleconference or other available technological means suitable for conducting its business. Meetings of the board shall be open and accessible to the public in accordance with KRS 61.805 to 61.850, and any alternate method of conducting a meeting in lieu of personal attendance shall ensure public access.***

(11) Directors***, except officers or employees of the state,*** shall receive ***one hundred dollars ($100)***[~~no~~] compensation ***per day*** for their services ***and***[~~but~~] shall be entitled to payment of any reasonable and necessary expense actually incurred in discharging their duties under this chapter.

(12) The Kentucky Higher Education Assistance Authority, the "guarantee agency", shall provide technical, clerical, and administrative assistance to the corporation, together with necessary office space and personnel, and shall assist the corporation in all ways by the performance of any and all actions which may be useful or beneficial to the corporation in the performance of its public functions as an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky charged with the responsibility of financing, making, and purchasing of insured student loans. The corporation shall enter into such contracts with the guarantee agency as shall be proper and appropriate in respect of such services which may include, but not by way of limitation, servicing and collection of insured student loans.

HB 522, AN ACT relating to leaves of absence for teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.770 is amended to read as follows:

(1) Upon written request of a teacher or superintendent, a board of education may grant a leave of absence for a period of not more than two (2) consecutive school years for educational or professional purposes, and shall grant such leave where illness, maternity, adoption of a child or children, or other disability is the reason for the request. ***A board of education may grant a leave of absence for any other reason deemed acceptable.*** Upon subsequent request, such leave may be renewed by the board. A board of education may pay a sum of money equivalent to all or any portion of salary to a teacher or superintendent who has been granted leave for educational or professional purposes if the person taking said leave agrees in writing to return to employment with the board for no less than two (2) years.

(2) Without request, a board of education may grant leave of absence and renewals thereof to any teacher or superintendent because of physical or mental disability, but such teacher or superintendent shall have the right to a hearing and appeal on such unrequested leave of absence or its renewal in accordance with the provisions for hearing and appeal in KRS 161.790.

(3) Upon the return to service of a teacher or superintendent at the expiration of a leave of absence, he shall resume the contract status which he held prior to such leave.

(4) Payments to any teacher or superintendent under this section by a local district are intended and presumed to be for and in consideration of services rendered and for the benefit of the common schools and such payments do not affect the eligibility of any school district to share in the distribution of funds from the public school funds as established in KRS Chapter 157.

HB 528, AN ACT relating to the Education Professional Standards Board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.017 is amended to read as follows:

(1) The Education Professional Standards Board, established in KRS 161.028, shall be headed by an executive director who shall be responsible for the day to day operations of the board including the following:

 (a) Setting up appropriate organizational structures and personnel policies for approval by the board;
 (b) Appointing all staff, including the deputy executive director;
 (c) Preparing annual reports on the board's program of work;
 (d) Carrying out policy and program directives of the board;
 (e) Preparing and submitting to the board for its approval a proposed biennial budget; and
 (f) Performing all other duties and responsibilities assigned by state law.

(2) When it is necessary to fill the position of executive director, the board shall conduct a comprehensive search for candidates and may employ a search firm if the board deems it necessary. The executive director shall possess broad-based experience in education and teacher development, and have demonstrated leadership skills in addition to other qualifications to be established by the board as authorized in KRS 161.028.

(3) With approval of the board, the executive director may enter into agreements with any state agency or political subdivision of the state, any postsecondary education institution, or any other person or entity to enlist assistance to implement the duties and responsibilities of the board.

(4) The executive director shall have access to the papers, books, and records of education personnel as part of an inquiry or investigation relating to disciplinary actions against a certified employee.

(5) Pursuant to KRS 161.120, the executive director, on behalf of the board, may issue administrative subpoenas for the attendance of witnesses and the production of documents relevant to disciplinary cases under consideration. Compliance with the subpoenas shall be enforceable by the Circuit Court in Franklin County.

Section 2. KRS 161.028 is amended to read as follows:

(1) The Education Professional Standards Board is recognized to be a public body corporate and politic and an agency and instrumentality of the Commonwealth, in the performance of essential governmental functions. The Education Professional Standards Board has the authority and responsibility to:

 (a) Establish standards and requirements for obtaining and maintaining a teaching certificate;
 (b) Set standards for, approve, and evaluate college, university, and school district programs for the preparation of teachers and other professional school personnel. Program standards shall reflect national standards and shall address, at a minimum, the following:
  1. The alignment of programs with the state's core content for assessment as defined in KRS 158.6457;
  2. Research-based classroom practices, including effective classroom management techniques;
  3. Emphasis on subject matter competency of teacher education students;
  4. Methodologies to meet diverse educational needs of all students;
  5. The consistency and quality of classroom and field experiences, including early practicums and student teaching experiences;
  6. The amount of college-wide or university-wide involvement and support during the preparation as well as the induction of new teachers;
  7. The diversity of faculty;
  8. The effectiveness of partnerships with local school districts; and
  9. The performance of graduates on various measures as determined by the board.
 (c) Conduct an annual review of diversity in teacher preparation programs;
 (d) Provide assistance to universities and colleges in addressing diversity, which may include researching successful strategies and disseminating the information, encouraging the development of nontraditional avenues of recruitment and providing incentives, waiving administrative regulations when needed, and other assistance as deemed necessary;
 (e) Discontinue approval of programs that do not meet standards or whose graduates do not perform according to

criteria set by the board;

(f) Issue, renew, revoke, suspend, or refuse to issue or renew; impose probationary or supervisory conditions upon; issue a written reprimand or admonishment; or any combination of actions regarding any certificate;

(g) Develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by an employee certified by the Education Professional Standards Board. The guidelines shall include investigation, inquiry, and hearing procedures which ensure the process does not revictimize the alleged victim or cause harm if an employee is falsely accused;

(h) Receive, along with investigators hired by the Education Professional Standards Board, training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedures in sex offense cases, and effective intervention with victims and offenders;

(i) Recommend to the Kentucky Board of Education the essential data elements relating to teacher preparation and certification, teacher supply and demand, teacher attrition, teacher diversity, and employment trends to be included in a state comprehensive data and information system and report the recommendations to the Interim Joint Committee on Education;

(j) Submit reports to the Governor and the Legislative Research Commission and inform the public on the status of teaching in Kentucky;

(k) Devise a credentialing system that provides alternative routes to gaining certification and greater flexibility in staffing local schools while maintaining standards for teacher competence;

(l) Develop a professional code of ethics;

(m) Set the qualifications and salary for the positions of executive director and deputy executive director to the board, notwithstanding the provisions of KRS 64.640;

(n) Recruit, select, employ and evaluate the executive director to the board;

(o) Approve employment procedures for the employment of policy level staff, subject to the provisions of KRS 12.050;

(p) Approve the biennial budget request;

(q) Charge reasonable fees for the issuance, reissuance, and renewal of certificates that are established by administrative regulation. The proceeds shall be used to meet a portion of the costs of the issuance, reissuance, and renewal of certificates, and the costs associated with ***disciplinary action against a certificate holder under KRS 161.120***[~~revoking certificates~~];

(r) Waive a requirement that may be established in an administrative regulation promulgated by the board. A request for a waiver shall be submitted to the board, in writing, by an applicant for certification, a postsecondary institution, or a superintendent of a local school district, with appropriate justification for the waiver. The board may approve the request if the person or institution seeking the waiver has demonstrated extraordinary circumstances justifying the waiver. Any waiver granted under this subsection shall be subject to revocation if the person or institution falsifies information or subsequently fails to meet the intent of the waiver;

(s) Promote the development of one (1) or more innovative, nontraditional or alternative administrator or teacher preparation programs through public or private colleges or universities, private contractors, the Department of Education, or the Kentucky Commonwealth Virtual University and waive administrative regulations if needed in order to implement the program;

(t) Grant approval, if appropriate, of a university's request for an alternative program that enrolls students in a postbaccalaureate teacher preparation program concurrently with employment as a teacher in a local school district. A student in the alternative program shall be granted a temporary provisional certificate and shall be a candidate in the Kentucky Teacher Internship Program, notwithstanding provisions of KRS 161.030. The temporary certificate shall be valid for a maximum of two (2) years, and shall be contingent upon the candidate's continued enrollment in the preparation program and compliance with all requirements established by the board. A professional certificate shall be issued upon the teacher candidate's successful completion of the program, the internship requirements, and all assessments required by the board;

(u) Grant approval, if appropriate, of a university's request for an alternative program that enrolls an administrator candidate in a postbaccalaureate administrator preparation program concurrently with employment as an assistant principal, principal, assistant superintendent, or superintendent in a local school district. An administrator candidate in the alternative program shall be granted a temporary provisional certificate and shall be a candidate in the Kentucky Principal Internship Program, notwithstanding provisions of KRS 161.030, or the Superintendent's Assessment process, notwithstanding provisions of KRS 156.111, as appropriate. The temporary certificate shall be valid for a maximum of two (2) years, and shall be contingent upon the candidate's continued enrollment in the preparation program and compliance with all requirements established by the board. A professional certificate shall be issued upon the candidate's successful completion of the program, internship requirements, and assessments as required by the board;

(v) Employ consultants as needed;

(w) Enter into contracts***. Disbursements to professional educators who receive less than one thousand dollars ($1,000) in compensation per fiscal year from the board for serving on an assessment validation panel or as a test scorer or proctor shall not be subject to KRS 45A.690 to 45A.725***;

(x) Sponsor studies, conduct research, conduct conferences, and publish information as appropriate; and

(y) Issue orders as necessary in any administrative action before the board.

(2) (a) The board shall be composed of seventeen (17) members. The chief state school officer and the president of the Council on Postsecondary Education, or their designees, shall serve as ex officio voting members. The Governor shall make the following fifteen (15) appointments:

1. Nine (9) members who shall be teachers representative of elementary, middle or junior high, secondary, special education, and secondary vocational classrooms;
2. Two (2) members who shall be school administrators, one (1) of whom shall be a school principal;
3. One (1) member representative of local boards of education; and
4. Three (3) members representative of postsecondary institutions, two (2) of whom shall be deans of colleges of education at public universities and one (1) of whom shall be the chief academic officer of an independent not-for-profit college or university.

(b) The members appointed by the Governor after June 21, 2001, shall be confirmed by the Senate and the House of Representatives under KRS 11.160. If the General Assembly is not in session at the time of the appointment, persons appointed shall serve prior to confirmation, but the Governor shall seek the consent of the General Assembly at the next regular session or at an intervening extraordinary session if the matter is included in the call of the General Assembly.

(c) A vacancy on the board shall be filled in the same manner as the original appointment within sixty (60) days after it occurs. A member shall continue to serve until his successor is named. Any member who, through change of employment status or residence, or for other reasons, no longer meets the criteria for the position to which he was appointed shall no longer be eligible to serve in that position.

(d) Members of the board shall serve without compensation but shall be permitted to attend board meetings and perform other board business without loss of income or other benefits.

(e) A state agency or any political subdivision of the state, including a school district, required to hire a substitute for a member of the board who is absent from his employment while performing board business shall be reimbursed by the board for the actual amount of any costs incurred.

(f) A chairman shall be elected by and from the membership. A member shall be eligible to serve no more than three (3) one (1) year terms in succession as chairman. The executive ***director***[~~secretary~~] shall keep records of proceedings. Regular meetings shall be held at least semiannually on call of the chairman.[~~ The Department of Education shall provide staff and support for the board.~~]

(g) To carry out the functions relating to its duties and responsibilities, the board is empowered to receive donations and grants of funds; to appoint consultants as needed; and to sponsor studies, conduct conferences, and publish information.

HB 532, AN ACT relating to head teachers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.150 is amended to read as follows:

(1) All pupils admitted to the common schools shall comply with the lawful regulations for the government of the schools:

(a) Willful disobedience or defiance of the authority of the teachers or administrators, use of profanity or vulgarity, assault or battery or abuse of other students, the threat of force or violence, the use or possession of alcohol or drugs, stealing or destruction or defacing of school property or personal property of students, the carrying or use of weapons or dangerous instruments, or other incorrigible bad conduct on school property, as well as off school property at school-sponsored activities, constitutes cause for suspension or expulsion from school; and

(b) Assault or battery or abuse of school personnel; stealing or willfully or wantonly defacing, destroying, or damaging the personal property of school personnel on school property, off school property, or at school-sponsored activities constitutes cause for suspension or expulsion from school.

(2) Each local board of education shall adopt a policy requiring the expulsion from school for a period of not less than one (1) year for a student who is determined by the board to have brought a weapon to a school under its jurisdiction. The board shall also adopt a policy requiring disciplinary actions, up to and including expulsion from school, for a student who is determined by the board to have possessed prescription drugs or controlled substances for the purpose of sale or distribution at a school under the board's jurisdiction, or to have physically assaulted or battered or abused educational personnel or other students at a school or school function under the board's jurisdiction. The board may modify the

expulsion requirement for students on a case-by-case basis. A board that has expelled a student from the student's regular school setting shall provide or assure that educational services are provided to the student in an appropriate alternative program or setting, unless the board has made a determination, on the record, supported by clear and convincing evidence, that the expelled student poses a threat to the safety of other students or school staff and cannot be placed into a state-funded agency program. Other intervention services as indicated for each student may be provided by the board or by agreement with the appropriate state or community agency. A state agency that provides the service shall be responsible for the cost. In determining whether a student has brought a weapon to school, a local board of education shall use the definition of "unlawful possession of a weapon on school property" stated in KRS 527.070.

(3) School administrators, teachers, or other school personnel may immediately remove or cause to be removed threatening or violent students from a classroom setting or from the district transportation system pending any further disciplinary action that may occur. Each board of education shall adopt a policy to assure the implementation of this section and to assure the safety of the students and staff.

(4) A pupil shall not be suspended from the common schools until after at least the following due process procedures have been provided:

(a) The pupil has been given oral or written notice of the charge or charges against him which constitute cause for suspension;

(b) The pupil has been given an explanation of the evidence of the charge or charges if the pupil denies them; and

(c) The pupil has been given an opportunity to present his own version of the facts relating to the charge or charges.

These due process procedures shall precede any suspension from the common schools unless immediate suspension is essential to protect persons or property or to avoid disruption of the ongoing academic process. In such cases, the due process procedures outlined above shall follow the suspension as soon as practicable, but no later than three (3) school days after the suspension.

(5) The superintendent, principal, ***or*** assistant principal[~~, or head teacher~~] of any school may suspend a pupil but shall report the action in writing immediately to the superintendent and to the parent, guardian, or other person having legal custody or control of the pupil. The board of education of any school district may expel any pupil for misconduct as defined in subsection (1) of this section, but the action shall not be taken until the parent, guardian, or other person having legal custody or control of the pupil has had an opportunity to have a hearing before the board. The decision of the board shall be final.

(6) (a) Suspension of exceptional children, as defined in KRS 157.200, shall be considered a change of educational placement if:

1. The child is removed for more than ten (10) consecutive days during a school year; or

2. The child is subjected to a series of removals that constitute a pattern because the removals accumulate to more than ten (10) school days during a school year and because of other factors, such as the length of each removal, the total amount of time the child is removed, and the proximity of removals to one another.

(b) The admissions and release committee shall meet to review the placement and make a recommendation for continued placement or a change in placement and determine whether regular suspension or expulsion procedures apply. Additional evaluations shall be completed, if necessary.

(c) If the admissions and release committee determines that an exceptional child's behavior is related to his disability, the child shall not be suspended any further or expelled unless the current placement could result in injury to the child, other children, or the educational personnel, in which case an appropriate alternative placement shall be provided that will provide for the child's educational needs and will provide a safe learning and teaching environment for all. If the admissions and release committee determines that the behavior is not related to the disability, the local educational agency may pursue its regular suspension or expulsion procedure for the child, if the behavior so warrants. However, educational services shall not be terminated during a period of expulsion and during a suspension after a student is suspended for more than a total of ten (10) days during a school year. A district may seek temporary injunctive relief through the courts if the parent and the other members of the admissions and release committee cannot agree upon a placement and the current placement will likely result in injury to the student or others.

(7) Suspension of primary school students shall be considered only in exceptional cases where there are safety issues for the child or others.

Section 2. KRS 160.295 is amended to read as follows:

(1) The board of education of each public school district in the Commonwealth may adopt and promulgate a code of student rights and responsibilities for secondary schools from recommendations of a committee composed of students, faculty, parents, and school district administrative personnel.

(2) Such committee shall consist of two (2) students, two (2) parents of students, two (2) faculty members, two (2) representatives from administrative personnel of the district, and one (1) member of the local school board.

(3) The student and faculty members of such committee shall be elected by their peers in the local school district; the

administrative personnel shall be appointed by the school district superintendent, and the parents selected by the faculty and student body. Members of such committee shall serve for a term of one (1) year and may be reelected or reappointed in following years. Initial composition of the elected members of such committee shall be by the following:

(a) The district superintendent shall notify each school within the district, each school principal~~[or head teacher]~~, the students of the district, and the parents of students within the district as to the method for receiving nominations for membership on the committee and of the methods by which the election of members shall take place. Such notification shall take place on or before the first day of school for each school term.

(b) Nominations for the student, faculty, and parent members of the committee shall be received in writing by the district superintendent within thirty (30) days following the commencement of each school term.

(c) The election of student, faculty, and parent members of the committee shall be held within fourteen (14) days following the closing of nominations under the supervision of the district superintendent.

(d) The initial meeting of the elected and appointed members shall be no later than fourteen (14) days following the election.

(4) Each committee member shall be entitled to a single vote and any code of student rights and responsibilities adopted by a majority of the committee membership shall be submitted to the district board of education which may cause such code, in whole or in part, to be implemented in the public schools of the district.

(5) All meetings of the committee shall be open to the public and the committee shall hold at least one (1) public hearing on the proposed code before it is adopted and submitted to the district board of education for implementation.

(6) The code of student rights and responsibilities adopted by the committee may define rights and responsibilities regarding, but not limited to, the following:

(a) Right of expression, including, but not limited to, appearance, assembly, association, and circulation of petitions and literature;

(b) Right to participate in decision-making procedures directly affecting students;

(c) Right to procedural due process concerning major disciplinary action, as defined by the code;

(d) Right to receive academic grades based only upon academic performance;

(e) Right to freedom from abuse and threat of abuse by members of school faculties and administration personnel; and

(f) Right of access by a student to his or her own records and guarantee of the confidentiality of a student's academic records outside of the school system, except upon written authorization of the student or his or her parents or guardians.

(7) Students shall refrain from activity which materially or substantially disrupts the educational process or presents a clear and present danger to the health and safety of persons or property, or infringes on the rights of others.

Section 3. KRS 160.345 is amended to read as follows:

(1) For the purpose of this section:

(a) "Minority" means American Indian; Alaskan native; African-American; Hispanic, including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin; Pacific islander; or other ethnic group underrepresented in the school;

(b) "School" means an elementary or secondary educational institution that is under the administrative control of a principal~~[or head teacher]~~ and is not a program or part of another school. The term "school" does not include district-operated schools that are:

1. Exclusively vocational-technical, special education, or preschool programs;
2. Instructional programs operated in institutions or schools outside of the district; or
3. Alternative schools designed to provide services to at-risk populations with unique needs;

(c) "Teacher" means any person for whom certification is required as a basis of employment in the public schools of the state with the exception of principals, ***and*** assistant principals~~[, and head teachers]~~; and

(d) "Parent" means:

1. A parent, stepparent, or foster parent of a student; or
2. A person who has legal custody of a student pursuant to a court order and with whom the student resides.

(2) Each local board of education shall adopt a policy for implementing school-based decision making in the district which shall include, but not be limited to, a description of how the district's policies, including those developed pursuant to KRS 160.340, have been amended to allow the professional staff members of a school to be involved in the decision making process as they work to meet educational goals established in KRS 158.645 and 158.6451. The policy may include a requirement that each school council make an annual report at a public meeting of the board describing the school's progress in meeting the educational goals set forth in KRS 158.6451 and district goals established by the board. The policy shall also address and comply with the following:

(a) Except as provided in paragraph (b)2. of this subsection, each participating school shall form a school council composed of two (2) parents, three (3) teachers, and the principal or administrator. The membership of the council may be increased, but it may only be increased proportionately. A parent representative on the council shall not be an employee or a relative of an employee of the school in which that parent serves, nor shall the parent representative be an employee or a relative of an employee in the district administrative offices. A parent representative shall not be a local board member or a board member's spouse. None of the members shall have a conflict of interest pursuant to KRS Chapter 45A, except the salary paid to district employees;

(b) 1. The teacher representatives shall be elected for one (1) year terms by a majority of the teachers. A teacher elected to a school council shall not be involuntarily transferred during his or her term of office. The parent representatives shall be elected for one (1) year terms. The parent members shall be elected by the parents of students preregistered to attend the school during the term of office in an election conducted by the parent and teacher organization of the school or, if none exists, the largest organization of parents formed for this purpose. A school council, once elected, may adopt a policy setting different terms of office for parent and teacher members subsequently elected. The principal[~~ or head teacher~~] shall be the chair of the school council.

2. School councils in schools having eight percent (8%) or more minority students enrolled, as determined by the enrollment on the preceding October 1, shall have at least one (1) minority member. If the council formed under paragraph (a) of this subsection does not have a minority member, the principal, in a timely manner, shall be responsible for carrying out the following:

a. Organizing a special election to elect an additional member. The principal shall call for nominations and shall notify the parents of the students of the date, time, and location of the election to elect a minority parent to the council by ballot; and

b. Allowing the teachers in the building to select one (1) minority teacher to serve as a teacher member on the council. If there are no minority teachers who are members of the faculty, an additional teacher member shall be elected by a majority of all teachers. Term limitations shall not apply for a minority teacher member who is the only minority on faculty;

(c) 1. The school council shall have the responsibility to set school policy consistent with district board policy which shall provide an environment to enhance the students' achievement and help the school meet the goals established by KRS 158.645 and 158.6451. The principal[~~ or head teacher~~] shall be the primary administrator and the instructional leader of the school, and with the assistance of the total school staff shall administer the policies established by the school council and the local board.

2. If a school council establishes committees, it shall adopt a policy to facilitate the participation of interested persons, including, but not limited to, classified employees and parents. The policy shall include the number of committees, their jurisdiction, composition, and the process for membership selection;

(d) The school council and each of its committees shall determine the frequency of and agenda for their meetings. Matters relating to formation of school councils that are not provided for by this section shall be addressed by local board policy;

(e) The meetings of the school council shall be open to the public and all interested persons may attend. However, the exceptions to open meetings provided in KRS 61.810 shall apply;

(f) After receiving notification of the funds available for the school from the local board, the school council shall determine, within the parameters of the total available funds, the number of persons to be employed in each job classification at the school. The council may make personnel decisions on vacancies occurring after the school council is formed but shall not have the authority to recommend transfers or dismissals;

(g) The school council shall determine which textbooks, instructional materials, and student support services shall be provided in the school. Subject to available resources, the local board shall allocate an appropriation to each school that is adequate to meet the school's needs related to instructional materials and school-based student support services, as determined by the school council. The school council shall consult with the school media librarian on the maintenance of the school library media center, including the purchase of instructional materials, information technology, and equipment;

(h) From a list of applicants submitted by the local superintendent, the principal at the participating school shall select personnel to fill vacancies, after consultation with the school council, consistent with subsection (2)(i)10. of this section. Requests for transfer shall conform to any employer-employee bargained contract which is in effect. If the vacancy to be filled is the position of principal, the school council shall select the new principal from among those persons recommended by the local superintendent. When a vacancy in the school principalship occurs, the school council shall receive training in recruitment and interviewing techniques prior to carrying out the process of selecting a principal. The council shall select the trainer to deliver the training. Personnel decisions made at the school level under the authority of this subsection shall be binding on the superintendent who completes the hiring process. The superintendent shall provide additional applicants upon request when qualified applicants are available;

(i) The school council shall adopt a policy to be implemented by the principal in the following additional areas:

1. Determination of curriculum, including needs assessment and curriculum development;
2. Assignment of all instructional and noninstructional staff time;
3. Assignment of students to classes and programs within the school;
4. Determination of the schedule of the school day and week, subject to the beginning and ending times of the school day and school calendar year as established by the local board;
5. Determination of use of school space during the school day;
6. Planning and resolution of issues regarding instructional practices;
7. Selection and implementation of discipline and classroom management techniques as a part of a comprehensive school safety plan, including responsibilities of the student, parent, teacher, counselor, and principal;
8. Selection of extracurricular programs and determination of policies relating to student participation based on academic qualifications and attendance requirements, program evaluation, and supervision;
9. Procedures, consistent with local school board policy, for determining alignment with state standards, technology utilization, and program appraisal; and
10. Procedures to assist the council with consultation in the selection of personnel by the principal, including, but not limited to, meetings, timelines, interviews, review of written applications, and review of references. Procedures shall address situations in which members of the council are not available for consultation; and

(j) Each school council shall annually review data on its students' performance as shown by the Commonwealth Accountability Testing System. The data shall include, but not be limited to, information on performance levels of all students tested, and information on the performance of students disaggregated by race, gender, disability, and participation in the federal free and reduced price lunch program. After completing the review of data, each school council shall adopt a plan to ensure that each student makes progress toward meeting the goals set forth in KRS 158.645 and 158.6451(1)(b). The Kentucky Department of Education shall provide each school council the data needed to complete the review required by this paragraph no later than December 31 of each year. If a school does not have a council, the review shall be completed by the principal.

(3) The policy adopted by the local board to implement school-based decision making shall also address the following:

(a) School budget and administration, including: discretionary funds; activity and other school funds; funds for maintenance, supplies, and equipment; and procedures for authorizing reimbursement for training and other expenses;

(b) Assessment of individual student progress, including testing and reporting of student progress to students, parents, the school district, the community, and the state;

(c) School improvement plans, including the form and function of strategic planning and its relationship to district planning, as well as the school safety plan and requests for funding from the Center for School Safety under KRS 158.446;

(d) Professional development plans developed pursuant to KRS 156.095;

(e) Parent, citizen, and community participation including the relationship of the council with other groups;

(f) Cooperation and collaboration within the district, with other districts, and with other public and private agencies;

(g) Requirements for waiver of district policies;

(h) Requirements for record keeping by the school council; and

(i) A process for appealing a decision made by a school council.

(4) In addition to the authority granted to the school council in this section, the local board may grant to the school council any other authority permitted by law. The board shall make available liability insurance coverage for the protection of all members of the school council from liability arising in the course of pursuing their duties as members of the council.

(5) After July 13, 1990, any school in which two-thirds (2/3) of the faculty vote to implement school-based decision making shall do so. All schools shall implement school-based decision making by July 1, 1996, in accordance with this section and with the policy adopted by the local board pursuant to this section. Upon favorable vote of a majority of the faculty at the school and a majority of at least twenty-five (25) voting parents of students enrolled in the school, a school meeting its goal as determined by the Department of Education pursuant to KRS 158.6455 may apply to the Kentucky Board of Education for exemption from the requirement to implement school-based decision making, and the state board shall grant the exemption. The voting by the parents on the matter of exemption from implementing school-based decision making shall be in an election conducted by the parent and teacher organization of the school or, if none exists, the largest organization of parents formed for this purpose. Notwithstanding the provisions of this section, a local school district shall not be required to implement school-based decision making if the local school district contains only one (1) school.

(6) The Department of Education shall provide professional development activities to assist schools in implementing school-

based decision making. School council members elected for the first time shall complete a minimum of six (6) clock hours of training in the process of school-based decision making, no later than thirty (30) days after the beginning of the service year for which they are elected to serve. School council members who have served on a school council at least one (1) year shall complete a minimum of three (3) clock hours of training in the process of school-based decision making no later than one hundred twenty (120) days after the beginning of the service year for which they are elected to serve. School council training required under this subsection shall be conducted by trainers endorsed by the Department of Education, and school council members shall complete the required training no later than thirty (30) days after the beginning of the service year for which they are elected to serve. By November 1 of each year, the principal through the local superintendent shall forward to the Department of Education the names and addresses of each council member and verify that the required training has been completed. School council members elected to fill a vacancy shall complete the applicable training within thirty (30) days of their election.

(7) A school that chooses to have school-based decision making but would like to be exempt from the administrative structure set forth by this section may develop a model for implementing school-based decision making including, but not limited to, a description of the membership, organization, duties, and responsibilities of a school council. The school shall submit the model through the local board of education to the commissioner of education and the Kentucky Board of Education, which shall have final authority for approval. The application for approval of the model shall show evidence that it has been developed by representatives of the parents, students, certified personnel, and the administrators of the school and that two-thirds (2/3) of the faculty have agreed to the model.

(8) The Kentucky Board of Education, upon recommendation of the commissioner of education, shall adopt by administrative regulation a formula by which school district funds shall be allocated to each school council. Included in the school council formula shall be an allocation for professional development that is at least sixty-five percent (65%) of the district's per pupil state allocation for professional development for each student in average daily attendance in the school. The school council shall plan professional development in compliance with requirements specified in KRS 156.095. School councils of small schools shall be encouraged to work with other school councils to maximize professional development opportunities.

(9) (a) No board member, superintendent of schools, district employee, or member of a school council shall intentionally engage in a pattern of practice which is detrimental to the successful implementation of or circumvents the intent of school-based decision making to allow the professional staff members of a school and parents to be involved in the decision making process in working toward meeting the educational goals established in KRS 158.645 and 158.6451 or to make decisions in areas of policy assigned to a school council pursuant to paragraph (i) of subsection (2) of this section.

(b) An affected party who believes a violation of this subsection has occurred may file a written complaint with the Office of Education Accountability. The office shall investigate the complaint and resolve the conflict, if possible, or forward the matter to the Kentucky Board of Education.

(c) The Kentucky Board of Education shall conduct a hearing in accordance with KRS Chapter 13B for complaints referred by the Office of Education Accountability.

(d) If the state board determines a violation has occurred, the party shall be subject to reprimand. A second violation of this subsection may be grounds for removing a superintendent, a member of a school council, or school board member from office or grounds for dismissal of an employee for misconduct in office or willful neglect of duty.

The Committee on Banking and Insurance reported **HB 165** with Committee Substitute attached thereto, and **HB 375** with Committee Amendments attached thereto with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 165, AN ACT relating to insurance licenses of individuals and business entities licensed under Subtitles 9 and 10 of KRS Chapter 304.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.2-160 is amended to read as follows:

Each written and signed complaint received by the Department of Insurance shall be recorded by the department, including the subsequent disposition thereof, and maintained for a period of not less than five (5) years. The records of such complaints shall be indexed whenever applicable both by the name of the insurer and by the name of the ***licensee, including*** agent,~~[solicitor,]~~ surplus lines broker, adjuster***, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant involved. The commissioner shall consider such complaints before issuing or renewing any certificate of authority or license.

Section 2. KRS 304.2-220 is amended to read as follows:

For the purpose of ascertaining compliance with law, or relationships and transactions between any~~[such]~~ person and any insurer or proposed insurer, the commissioner may as often as reasonably necessary examine the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs or proposed insurance affairs and transactions of:

(1) Any insurance holding company; or person holding the shares of voting stock or policyholder proxies of an insurer as voting trustee or otherwise, for the purpose of controlling the management thereof***;***[~~.~~]

(2) Any insurance agent,[~~ solicitor, general agent,~~] surplus lines broker, adjuster, consultant, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee,*** or any person holding himself out as any of the foregoing***;***[~~.~~]

(3) Any person having a contract under which he enjoys by terms or in fact the exclusive or dominant right to manage or control the insurer, as voting trustee, or otherwise***; and***[~~.~~]

(4) Any person in this state engaged in, or proposing to be engaged in this state in, or holding himself out in this state as so engaging or proposing, or in this state assisting in the promotion, formation or financing of an insurer or insurance holding corporation, or corporation or other group to finance an insurer or the production of its business.

Section 3. KRS 304.4-040 is amended to read as follows:

The commissioner may revoke the certificate of authority, of any insurer which fails to pay when due, any taxes, fees, licenses and other charges owing to this state. The commissioner may likewise revoke the license of any agent, surplus lines broker,[~~ solicitor,~~] adjuster***, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant, as to whom any tax or fee required under this code has not been paid when due.

Section 4. KRS 304.9-020 is amended to read as follows:

As used in this subtitle:

(1) "Agent" means an individual or business entity ***appointed by an insurer to sell or to solicit applications for insurance or annuity contracts or to negotiate insurance or annuity contracts on its behalf;***[~~required to be licensed and appointed under the laws of this state to sell, solicit, or negotiate insurance or annuity contracts.~~]

(2) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, employer group, professional employer organization, or other legal entity***;***[~~.~~]

(3) "Home state" means the District of Columbia and any state or territory of the United States in which a licensee maintains his or her principal place of residence or principal place of business and is licensed by that state ***to act as an insurance producer;***[~~.~~]

(4) ***"Insurance producer" means an individual or business entity required to be licensed under the laws of Kentucky to sell, solicit, or negotiate insurance or annuity contracts. Insurance producer includes agent, surplus lines broker, reinsurance intermediary broker and manager, rental vehicle agent and managing employee, specialty credit producer and managing employee, and consultant;***[~~A "general lines" agent is an agent who transacts any one (1) or more of the following kinds of insurance:~~

~~(a) Property insurance;~~

~~(b) Casualty insurance;~~

~~(c) Surety insurance;~~

~~(d) Marine and transportation insurance;~~

~~(e) Health insurance, when transacted for an insurer also represented by the same agent as to property or casualty insurance; and~~

~~(f) Mortgage guaranty insurance.~~]

(5) "Limited line credit insurance" includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, ***guaranteed*** automobile ***protection***[~~dealer gap~~] insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the commissioner determines should be designated a form of limited line credit insurance***;***[~~.~~]

(6) "Limited line credit insurance agent" means an individual or business entity who sells, solicits, or negotiates one (1) or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy***;***[~~.~~]

(7) "Negotiate" means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract***;***[~~.~~]

(8) "Sell" means to exchange a contract of insurance by any means, for money or other valuable consideration, on behalf of an insurer***;***[~~.~~]

(9) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company***;***[~~.~~]

(10) "Terminate" means the cancellation of the relationship between an ***insurance producer***[~~agent~~] and the insurer or the termination of an ***insurance producer's***[~~agent's~~] authority to transact insurance***;***[~~.~~]

(11) "Uniform business entity application" means the current version of the National Association of Insurance Commissioners

Uniform Business Entity Application for resident and nonresident business entities***; and***[~~.~~]

(12) "Uniform ***individual*** application" means the current version of the National Association of Insurance Commissioners Uniform Application for resident and nonresident ***individuals***[~~agent licensing~~].

Section 5. KRS 304.9-030 is amended to read as follows:

(1) Unless denied a license ***according to Section 35 of this Act***[~~under this subtitle~~], applicants who have met the requirements for the license in accordance with this subtitle, shall be issued the applicable license.

(2) An insurance agent may receive qualification for a license in one (1) or more of the following ***applicable*** lines of authority:

(a) Life -- insurance coverage on human lives including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income;

(b) Health -- insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income;

(c) Property -- insurance coverage for the direct or consequential loss or damage to property of every kind;

(d) Casualty -- insurance coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property;

(e) Variable life and variable annuity products -- insurance coverage provided under variable life insurance contracts ***and***[~~,~~] variable annuities[~~, or any other life insurance or annuity product that reflects the investment experience of a separate account~~];

(f) Limited line ***--*** insurance as identified in KRS 304.9-230;

(g) ***Personal lines -- property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes***[~~Marine and transportation insurance as defined in KRS 304.5-080;~~

~~(h) Mortgage guaranty insurance as defined in KRS 304.5-100~~]; and

(h)[~~(i)~~] Any other line of insurance authorized by Kentucky law and deemed by the commissioner appropriate to be issued as a separate line of authority.

Section 6. KRS 304.9-040 is amended to read as follows:

(1) A "consultant" is an individual, who as an independent contractor in relation to his client, for fee or compensation other than from an insurer, in any manner advises or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under, an insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights, or interests under such contract, or relative to the retention, exchange, surrender, or exercise of rights thereunder. This subsection shall not apply as to an attorney while ***acting under a license***[~~licensed~~] to practice law in this state.

(2) A "***property and casualty***[~~general lines~~] consultant" is ***an individual***[~~one~~] licensed as a consultant as to ***property insurance contracts, casualty insurance contracts, health insurance contracts issued by property or casualty insurers, and surety contracts***[~~any one (1) or more of the following kinds of insurance:~~

~~(a) Casualty insurance.~~

~~(b) Property insurance.~~

~~(c) Surety insurance.~~

~~(d) Marine and transportation insurance.~~

~~(e) Health insurance.~~

~~(f) Mortgage guaranty insurance~~].

(3) A "life and health consultant" is ***an individual***[~~one~~] licensed as a consultant as to life insurance contracts, annuity contracts and health insurance contracts.

Section 7. KRS 304.9-051 is amended to read as follows:

As used in KRS 304.9-052 and 304.9-371 to 304.9-377:

(1) An "administrator" is ***an individual or business entity***[~~a person~~] who collects charges or premiums from or who adjusts or settles claims on, residents of this state in connection with life insurance, health insurance, annuities, nonprofit hospital, medical-surgical, dental, and health service corporation contracts, health maintenance organization contracts, or[~~ prepaid dental plan organization contracts or~~] other life, health, or annuity benefit plans. The following are not considered to be acting as administrator:

(a) An employer acting on behalf of its employees or the employees of one (1) or more subsidiary or affiliated corporations of the employer;

(b) A union on behalf of its members;

(c) An insurer, which is ***acting as the insurer with respect to the contract if the insurer is***[~~either~~] authorized or permitted to transact business in Kentucky or ***if the contract is***[~~acting as an insurer with respect to a contract~~] lawfully delivered or issued for delivery by it in and pursuant to the laws of a state in which it was authorized or permitted to do business;

(d) A life or health insurance agent licensed in Kentucky whose activities are limited exclusively to the sale of insurance;

(e) A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors;

(f) A trust, its trustees, agents, and employees acting thereunder, established in conformity with 29 U.S.C. sec. 186;

(g) A trust exempt from taxation under 26 U.S.C. sec. 501(a), its trustees, and employees acting thereunder, or a custodian, its agents, and employees acting pursuant to a custodian account which meets the requirements of 26 U.S.C. sec. 401(f);

(h) A bank, credit union, or other financial institution which is subject to supervision or examination by federal or state banking authorities;

(i) A credit card issuing company which advances for and collects premiums or charges from its credit card holders who have authorized it to do so, provided such company does not adjust or settle claims; or

(j) ***An individual***[~~A person~~] who adjusts or settles claims in the normal course of practice or employment as an attorney-at-law, and who does not collect charges or premiums in connection with coverages issued by insurers.

(2)[~~"Insurance" is coverage issued by an insurer as defined herein.~~

~~(3)~~] An "insured" is a person covered under an insurance contract, nonprofit hospital, medical-surgical, dental, and health service corporation contract, health maintenance organization contract,[~~ prepaid dental plan organization contract,~~] or other source of benefits.

[~~(4) An "insurer" is an insurer, nonprofit hospital, medical-surgical, dental, health service corporation, health maintenance organization, prepaid dental plan organization, or other sources of benefits.~~]

Section 8. KRS 304.9-052 is amended to read as follows:

(1) No ***individual or business entity***[~~person~~] shall in this state be, act as, or hold himself out to be an administrator unless then licensed as an administrator by the commissioner.

(2) For the protection of the people of this state, the commissioner shall not issue, continue, or permit to exist any administrator license for any person unless such person demonstrates to the satisfaction of the commissioner that the following standards are met:

(a) If ***an individual***[~~a natural person~~], the applicant has attained the age of twenty-one (21) years;

(b) The applicant is competent, trustworthy, reliable, and of good reputation;

(c) The applicant has attained an educational level acceptable to the commissioner;

(d) The applicant is financially responsible;

(e) The applicant has not had any license issued by the commissioner, or application therefor, terminated for cause;

(f) The applicant has paid the fee prescribed in KRS 304.4-010;

(g) If a ***business entity***[~~corporation or firm~~], each ***individual***[~~person~~] authorized to act for the ***business entity***[~~corporation or firm~~] under its administrator license ***shall be designated with the commissioner in accordance with Section 23 of this Act***[~~must hold an administrator license~~]; and

(h) Administrator licenses shall be ***renewed in accordance with Section 24 of this Act***[~~issued by the commissioner to expire on March 31, 1987, and to be renewed biennially thereafter.~~

~~(3) The license of an administrator may be suspended or revoked, a civil penalty imposed in lieu thereof, or both, for any reason an insurance agent's license could be suspended or revoked, a civil penalty imposed in lieu thereof, or both, pursuant to KRS 304.9-440. The procedures of KRS 304.9-440, 304.9-450, and 304.9-460 relating to suspended or revoked insurance agent licenses apply to administrator licenses.~~

~~(4) Nonresident administrators are deemed to have irrevocably appointed the Secretary of State as agent for the acceptance of service of process issued in Kentucky in any action or proceeding against the licensee arising out of such licensing or out of transactions under the license. The Secretary of State shall administer service of process on nonresident administrators in the manner of service of process on nonresident insurance agents~~].

Section 9. KRS 304.9-070 is amended to read as follows:

An adjuster is any person, who for fee or compensation as an employee of an insurer or an independent contractor investigates or settles claims arising under insurance contracts[~~ or annuity contracts~~], on behalf solely of either the insurer or the insured. The definition of adjuster shall not be deemed to include, and license as an adjuster shall not be required of:

(1) Attorneys-at-law admitted to practice in this state***, when acting in their professional capacity as attorneys***;

(2) Licensed resident agent of the insurer to whom claim authority has been granted by the insurer if the agent receives no compensation for performing adjusting services;

(3) Salaried traveling representatives of a mutual or reciprocal insurer;

(4) Persons employed only for the purpose of obtaining facts surrounding a loss or furnishing technical assistance to a licensed

adjuster, including, but not limited to, photographers, estimators, private investigators, engineers, and handwriting experts; ***or***

(5) Persons performing adjusting services under their limited insurance agent's licenses for crop-hail insurance pursuant to KRS 304.9-230.

Section 10. KRS 304.9-080 is amended to read as follows:

(1) An individual or business entity shall not sell, solicit, or negotiate insurance in this state unless the individual or business entity is licensed ***as the appropriate insurance producer*** for that line of authority in accordance with this subtitle ***or Subtitle 10 of this chapter***.

(2) No individual or business entity shall in this state be, act as, or hold himself or herself out as ***an***[~~a consultant or~~] adjuster unless then licensed as ***an***[~~a consultant or~~] adjuster[~~, respectively~~]. ***No individual shall in this state be, act as, or hold himself or herself out as a consultant unless then licensed as a consultant.*** No consultant shall act as a consultant with respect to any kind of insurance as to which he or she is not then licensed as a consultant.

(3) A consultant license ***shall***[~~must~~] cover either or both of the following categories, as selected by the licensee:

(a) ***Property and casualty***[~~General lines~~]; ***and***

(b) Life and health.

A consultant licensed in both categories shall qualify separately for, and be licensed in, each category.

(4) No individual licensed as a consultant shall act as a consultant until he or she has filed with the commissioner a bond or insurance ***in accordance with***[~~as prescribed in~~] KRS 304.9-330.

(5) Except as provided in KRS 304.9-410 and KRS 304.9-270(3), no agent shall place, and no insurer shall accept, any insurance with any insurer as to which the agent does not then hold a license and appointment as agent under this subtitle.

(6) ***No rental vehicle agent, rental vehicle managing employee, specialty credit producer, or specialty credit managing employee shall place, and no insurer shall accept, any insurance with any insurer as to which the licensee does not then hold a license and appointment under this subtitle.***

(7) The commissioner shall prescribe and furnish all forms required under this subtitle as to licenses and appointments.

Section 11. KRS 304.9-085 is amended to read as follows:

(1) A "managing general agent" is an individual or business entity appointed by an insurer to solicit applications from agents for insurance contracts or to negotiate insurance contracts on behalf of an insurer and, if authorized to do so by an insurer, to effectuate and countersign insurance contracts.

(2) No individual or business entity shall in this state be, act as, or hold himself or herself out as a managing general agent unless then licensed as a managing general agent. In order to qualify for a managing general agent license, an individual shall:

(a) Hold ***an***[~~a general lines~~] agent license ***with property and casualty lines of authority*** and be appointed by each authorized insurer the licensee holds the contract to represent;

(b) If a nonresident, hold a nonresident[~~ general lines~~] agent license ***with property and casualty lines of authority*** and be appointed by each authorized insurer the licensee ***holds a contract to represent***[~~represents~~] in Kentucky[~~. Nonresidents are subject to the restrictions of KRS 304.9-140~~]; and

(c) Hold a surplus lines broker license if any unauthorized insurers are represented or used.

In order for a business entity to qualify for a managing general agent license, all individuals acting on behalf of the ***business entity***[~~corporation or firm~~] under its license shall be licensed ***agents with property and casualty lines of authority and shall be designated with the commissioner as to the license in accordance with all provisions of Section 23 of this Act except for subsection (2)(a)***[~~general lines agents~~].

(3) As used in this chapter, "agent" includes managing general agent unless the context requires otherwise.

(4) A managing general agent is a representative of the insurers which the managing general agent holds a contract to represent. ***Each insurer is***[~~Such insurers are~~] liable for the acts of the managing general agent in representing ***that insurer***[~~the insurers~~].

(5) The commissioner shall ***renew managing general agent licenses in accordance with Section 24 of this Act***[~~issue managing general agent licenses to expire on March 31, 1988, and to be renewed biennially thereafter~~].

Section 12. KRS 304.9-090 is amended to read as follows:

(1)[~~ The definition of consultant shall not be deemed to include the supervising managing general agent (except as defined in KRS 304.9-085) or supervising officer or employee of an insurer who solicits only with duly licensed resident agents of the insurer.~~

~~(2)~~] Nothing in this subtitle shall be construed to require an insurer to obtain an ***insurance producer***[~~agent~~] license. As used in this section, the term "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.

(2)[~~(3)~~] A license as an ***insurance producer***[~~agent or consultant~~] shall not be required of the following:

(a) An officer, director, or employee of an insurer or of an ***insurance producer***[~~agent~~], provided that the officer, director, or employee does not receive any commission or other valuable consideration on policies written or sold to insure risks residing, located, or to be performed in this state[~~ and whose compensation is not varied by the volume of applications taken or received~~], and:

1. The officer, director, or employee's[~~ full-time~~] activities are devoted to functions that are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance; or

2. The officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or

3. The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting ***insurance producer***[~~agents~~] where the officer's, director's, or employee's activities are limited to providing technical advice and assistance to licensed ***insurance producers***[~~agents~~] and do not include the sale, solicitation, or negotiation of insurance;

(b) The individual secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance, or for the purpose of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans; or performs administrative services related to a mass marketed property and casualty insurance, where no commission is paid to the individual for the service;

(c) An employer or association or its officers, directors, employees, or the trustees of an employee trust plan, to the extent that the employers, officers, employees, directors, or trustees are engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer, as long as the employers, associations, officers, directors, employees, or trustees are not in any manner compensated, directly or indirectly, by the ***insurer***[~~company~~] issuing the contracts;

(d) Employees of insurers or organizations employed by insurers who are engaging in the inspection, rating, or classification of risks, or in the supervision of the training of ***insurance producers***[~~agents~~] who are not individually engaged in the sale, solicitation, or negotiation of insurance;

(e) An individual or business entity whose activities in this state are limited to advertising without the intent to solicit insurance in this state through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of the state, provided that the individual or business entity does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in this state;

(f) An individual or business entity who is not a resident of this state who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one (1) state insured under that contract, provided that the individual or business entity is otherwise licensed as an ***insurance producer***[~~agent~~] to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state; ***or***

(g) A salaried full-time employee who counsels or advises his or her employer relative to the insurance interest of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell, solicit, or negotiate insurance or receive a commission[~~; or~~

~~(h) Employees of an insurer or an agent who responds to requests from existing policyholders on existing policies, provided that those employees are not directly compensated based on the volume of premiums that may result from these services, and provided that those employees do not otherwise sell, solicit, or negotiate insurance~~].

Section 13. KRS 304.9-100 is amended to read as follows:

(1) The purpose of a license issued under this subtitle to an ***insurance producer***[~~agent, or solicitor~~] is to authorize and enable the licensee actively and in good faith to engage in the business of insurance with respect to the general public, and to facilitate the public supervision of such activities in the public interest; and not for the purpose of enabling the licensee to receive a rebate of premium in the form of "commission" or other compensation upon his own interest or upon those of other persons with whom he is closely associated in capacities other than as an insurance ***producer***[~~agent, or solicitor~~].

(2) The commissioner shall not grant, renew, continue, or permit to exist any license ***of an insurance producer***[~~as agent, or solicitor~~] as to any applicant therefor or licensee thereunder if he finds that the license has been or is being or will probably be used by the applicant or licensee principally for the purpose of writing "controlled business," that is:

(a) Insurance on his own interest or those of his family or of his employer; or

(b) Insurance or annuity contracts covering himself or members of his family, or the officers, directors, stockholders, partners, employees, or debtors of a partnership, association, or corporation of which he or a member of his family is an officer, director, stockholder, partner, associate, or employee.

(3) Such a license shall be deemed to have been, or intended to be, used principally for the purpose of writing controlled business if the commissioner finds that during any twelve (12) months' period the aggregate premiums accruing or to

accrue from[~~ such~~] controlled business have exceeded or probably will exceed the aggregate premiums accruing or to accrue on other business written or probably to be written by ***the***[~~such~~] applicant or licensee during the same period.

(4) This section shall not apply as to:

(a) Insurance of the interest of a motor vehicle sales or financing agent in a motor vehicle sold or financed by it***;***[~~.~~]

(b) Insurance of the interest of real property mortgagee in the mortgaged property, except title insurance***;***[~~.~~]

(c) ***Limited line credit insurance; and***

(d) Rental vehicle insurance[~~Credit life, credit health, credit personal property and credit unemployment insurance~~].

Section 14. KRS 304.9-105 is amended to read as follows:

An individual applying for an agent license shall make application to the commissioner on the uniform ***individual*** application ***or other application prescribed by the commissioner*** and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find that the applicant:

(1) Is at least eighteen (18) years of age;

(2) Has fulfilled the residence requirements as set forth in KRS 304.9-120 ***or is a nonresident who is not eligible to be issued a license in accordance with Section 17 of this Act***;

(3) Has not committed any act that is a ground for denial, suspension, or revocation set forth in KRS 304.9-440;

(4) Is trustworthy, reliable, and of good reputation, evidence of which shall be ***determined through an investigation by the commissioner***[~~submitted on behalf of the applicant in the form of:~~

~~(a) A certificate by the insurer or agent by which or whom the applicant is to be appointed or employed, subject to the issuance of the license, stating that the insurer has either made, or caused to be made by responsible investigators, an investigation into the trustworthiness, reliability, and good reputation of the applicant together with a brief synopsis of the findings resulting therefrom; or~~

~~(b) Three (3) letters of recommendation attesting to the trustworthiness, reliability, and good reputation of the person written on his or her behalf by persons not related to him or her by blood or marriage and one (1) of whom shall be a licensed resident insurance agent, which letters shall also state the extent of familiarity, both as to length of time and degree of knowledge, possessed by the writer with regard to both personal and business conduct of the person~~];

(5) Is competent to exercise the license and has:

(a) Successfully attained a general educational level equivalent to that required for graduation from an accredited high school in this state;

(b) Except for limited lines licenses, completed a forty (40) hour prelicensing classroom course of study for the lines of authority for which the individual has applied. The commissioner shall promulgate administrative regulations to carry out the purpose of this section;

(c) Except for limited line licenses, successfully passed the examinations required by the commissioner for the lines of authority for which the individual has applied; and

(d) Paid the fees set forth in KRS 304.4-010;

(6) Is financially responsible to exercise the license[~~ and has:~~

~~(a) 1. Filed with the commissioner the certificate of an insurer authorized to write legal liability insurance in this state, that the insurer has and will keep in effect on behalf of the person a policy of insurance covering the legal liability of the licensed person as the result of erroneous acts or failure to act in his or her capacity as an insurance agent, and enuring to the benefit of any aggrieved party as the result of any single occurrence in the sum of not less than ten thousand dollars ($10,000) and fifty thousand dollars ($50,000) in the aggregate for all occurrences within one (1) year, and that the policy shall not be terminated unless at least thirty (30) days' prior written notice will have been given to the commissioner; or~~

~~2. Deposited with the commissioner cash, or a cash surety bond executed by an insurer authorized to write business in this Commonwealth, in the sum of ten thousand dollars ($10,000), which shall be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his or her capacity as an agent; or~~

~~3. Had filed with the commissioner on his or her behalf, by an authorized insurer or group of affiliated insurers for which he or she is or is to become an exclusive agent, an agreement whereby the insurer or group of affiliated insurers agrees to assume responsibility, to the benefit of any aggrieved party, for legal liability of the licensed person as the result of erroneous acts or failure to act in his or her capacity as an insurance agent on behalf of the insurer or group of affiliated insurers in the sum of ten thousand dollars ($10,000) for any single occurrence and that the agreement shall not be terminated until the license is surrendered to the commissioner or at least thirty (30) days' prior written notice will have been given to the commissioner, whichever shall first occur; and~~

~~(b) Agreed with the commissioner that if at any time notice is given to the commissioner that any policy filed in accordance with paragraph (a)1. of this subsection, or agreement filed in accordance with paragraph (a)3. of this subsection, is to be terminated and has not been replaced by another policy or agreement within the time established by regulations of the commissioner, or if any deposit in accordance with paragraph (a)2. of this subsection be reduced through levy of execution and not replaced by any necessary additional deposit within the time established by regulations of the commissioner, any and all licenses held by the licensee are revoked and shall be promptly surrendered to the commissioner without demand; and~~

~~(7) To whom an agent's license has been or is to be issued, is the duly appointed agent of an authorized insurer, subject to issuance of the license~~].

The commissioner may require additional information or submissions ***from applicants***[~~for resident applications~~] and may obtain any documents or information reasonably necessary to verify the information contained in an application.

Section 15. KRS 304.9-130 is amended to read as follows:

(1) A business entity acting as an agent is required to obtain an agent license. Application shall be made using the uniform business entity application or other application prescribed by the commissioner. Before approving the application ***of a business entity as a resident or as a nonresident which is not eligible to be issued a license in accordance with Section 17 of this Act***, the commissioner shall find that:

(a) The business entity has paid the fees set forth in KRS 304.4-010;

(b) Each officer, director, and member of the business entity who is acting as an agent has obtained an agent's license;

(c) The business entity has disclosed to the insurance department the identity of all officers and directors and whether or not they are licensed as agents; and

(d) The business entity has designated a licensed agent responsible for the business entity's compliance with the insurance laws and regulations of this state.

(2) ***Within thirty (30) days of the change,*** the licensee shall[~~ promptly~~] notify the commissioner of all changes among its members, directors, officers, and other individuals designated in or registered as to the license.

(3) Each agent authorized to act for the business entity shall be named in or registered with the commissioner as to the license and shall qualify as though an individual licensee.

(4) The commissioner may obtain any documents or information reasonably necessary to verify the information contained in an application.

Section 16. KRS 304.9-135 is amended to read as follows:

(1) As used in this section:

(a) "Financial institution" means a bank or bank holding company as defined in the Bank Holding Company Act of 1956, as amended, 12 U.S.C. sec. 1841, a savings bank, savings and loan association, trust company, or any depository institution as defined by the Federal Deposit Insurance Act in 12 U.S.C. sec. 1813(c)(1), and any other individual, corporation, partnership, or association authorized to take deposits and make loans in the Commonwealth, and any affiliate or subsidiary of any of the above;

(b) "Insurance agency activities" means any activity relating to insurance[~~ other than credit life insurance, credit health insurance, forced placed or voluntary credit property, credit involuntary unemployment insurance, or insurance of the interest of a real property mortgagee in mortgaged property,~~] other than title insurance, for which a license as agent, ***reinsurance intermediary broker or manager, specialty credit producer or managing employee, surplus lines***[~~solicitor,~~] broker, or consultant is required under this chapter; and

(c) "Insurance information" means any information ***concerning premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and claims maintained in the records of the financial institution or affiliate***[~~provided by a consumer in order to obtain insurance~~].

(2) A financial institution authorized by law to engage in insurance agency activities in this state shall, in addition to any other applicable requirements, comply with the following requirements:

(a) The financial institution or officer, agent, representative, or employee thereof shall qualify for licensure under all applicable provisions of this chapter and abide by all applicable provisions of this chapter and applicable administrative regulations;

(b) A financial institution shall provide a written statement ***to a***[~~, signed or initialed by the~~] consumer ***regarding the consumer's free choice of agent and insurer according to Section 45 of this Act, during the pendency of the consumer's application for a loan or other extension of credit from the financial institution when insurance is offered to the consumer, sold to the consumer, or required in connection with the loan or extension of credit by the financial institution or affiliate***[~~, to evidence compliance with KRS 304.12-150~~];

(c) ***A financial institution shall not release a consumer's insurance information to any person or entity for the solicitation or selling of insurance, other than an officer, director, employee, agent, or affiliate of a financial institution, without the written consent of the consumer;***[~~If the consumer voluntarily discloses or authorizes, in a~~

~~written statement that is signed or initialed by the consumer, the disclosure of insurance information about the consumer to any person, the statement shall be an acknowledgment that the disclosure is not to the detriment of the consumer; and]~~

(d) ***A financial institution shall not release or use health information obtained from the insurance records of a consumer for any purpose, other than activities of a licensed agent, administrator, reinsurance intermediary broker or manager, specialty credit producer or managing employee, surplus lines broker, adjuster, or consultant, without the written consent of the consumer;***

(e) A financial institution licensed by the department to engage in insurance agency activities shall:

1. Not violate the anti-tying provisions of the Bank Holding Company Act, 12 U.S.C. secs. 1971 et seq., in effect as of December 31, 1997; and
2. Notify the department in writing within ten (10) days of any final judgment or any final administrative action, by a federal agency authorized to enforce the anti-tying provision, that finds that the financial institution or any of its employees committed a violation of the Bank Holding Company Act. Any such final and unappealable judgment or final and unappealable administrative action shall be deemed a violation of this chapter;

(f)~~[(e)]~~ Prior to the sale of any policy of insurance to a consumer, a financial institution shall***, when practicable,*** provide to the consumer a written statement~~[, signed or initialed by the consumer,]~~ that:

1. The insurance offered by the financial institution is not a deposit;
2. The insurance offered by the financial institution is not insured by the Federal Deposit Insurance Corporation or other government agency that insures deposits;
3. The insurance offered by the financial institution is not guaranteed by the financial institution ***or affiliate***;
4. The insurance ***may involve investment risk, including potential loss of principal***~~[is optional or, if required, may be purchased from any insurance agent or insurer selected by the consumer if that agent or insurer provides the same or equivalent coverage; and~~

~~5. By not purchasing the insurance if it is optional, or by purchasing the insurance from another insurance agent or insurer if the insurance is required, will not in any way affect current or future credit decisions]~~; and

(g)~~[(f)]~~ The commissioner shall promulgate administrative regulations in accordance with KRS Chapter 13A that specify the disclosure forms required by subsections (b), (c), and ***(f)***~~[(e)]~~ of this section.

(3) An officer or employee of a financial institution shall not directly or indirectly delay or impede the completion of a loan transaction or any other transaction with a financial institution for the purpose of influencing a consumer's selection or purchase of any insurance.

(4) ***A financial institution shall not use any advertisement or promotional material causing a reasonable person to mistakenly believe that:***

(a) The federal government or any state guarantees the insurance sales activities of financial institutions or guarantees the credit of the financial institution;

(b) Any state or federal government guarantees any return on insurance products or is a source of payment on any insurance product sold by the financial institution~~[An employee of a financial institution may receive compensation for the referral of a consumer, who seeks information about or wishes to purchase any insurance product, to a licensed person or for the provision of the telephone number of a licensed person who sells or provides information on the product only if:~~

~~(a) The employee receives the referral fee regardless of whether insurance coverage is sold;~~

~~(b) The referral compensation is a fixed amount;~~

~~(c) The referral compensation is a portion of a financial institution's program offering referral fees for other noninsurance products or services marketed by the financial institution; and~~

~~(d) The referral compensation is paid by the financial institution]~~.

(5) ***A financial institution shall use separate documentation for all credit and insurance transactions when a consumer obtains insurance and credit, other than credit insurance, from a financial institution or any individual or business entity soliciting or selling insurance on the premises of a financial institution.***

(6) A financial institution shall not include an expense of insurance premiums in a credit transaction when a consumer obtains insurance and credit, other than credit insurance, from a financial institution or any individual or business entity soliciting or selling insurance on the premises of a financial institution, without the written consent of the consumer.

(7) A financial institution shall maintain separate and distinct books and records relating to insurance transactions conducted through the financial institution, including files relating to consumer complaints. The books, records, and files shall be made available to the commissioner for inspection in accordance with Section 2 of this Act~~[All financial~~

~~institutions not insured by the Federal Deposit Insurance Corporation or other government agency that insures deposits are not required to comply with subsection (2)(e) of this section~~].

Section 17. KRS 304.9-140 is amended to read as follows:

(1) Unless denied a license in accordance with ***Section 35 of this Act***[~~this subtitle~~], a nonresident individual or business entity shall receive ***the applicable insurance producer***[~~an agent~~] license if:

(a) The applicant is currently licensed ***as a resident*** and in good standing in his or her home state;

(b) The applicant has submitted the proper request for license and has paid the fees required by KRS 304.4-010 and administrative regulations;

(c) The applicant has submitted or transmitted to the commissioner the application for a license that the applicant submitted to his or her home state or a completed uniform ***individual*** application or uniform business entity application; ***and***

(d)[~~ The applicant has complied with his or her home state's continuing education requirements;~~

~~(e)~~] The applicant's home state awards nonresident licenses to residents of this state on the same basis[~~; and~~

~~(f) The applicant has complied with any other applicable legal requirements~~].

(2) The commissioner may verify the applicant's license status through the database maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries.

(3) A nonresident licensee who changes his or her home state to a state other than Kentucky shall file a change of address and provide certification from the new home state within thirty (30) days of the change of home state. No fee or license application is required.

(4) Notwithstanding any other provisions of this chapter, on or after July 1, 2002, an individual licensed as a surplus lines broker in his or her home state shall receive a nonresident surplus lines broker license by meeting the requirements of subsection (1) of this section. Except as to subsection (1) of this section, nothing in this section otherwise amends or supersedes any provision of Subtitle 10 of this chapter.

(5) Notwithstanding any other provision of this subtitle, an individual licensed as a limited lines agent in his or her home state shall receive a nonresident limited lines agent license in accordance with subsection (1) of this section, granting the same scope of authority as granted under the license issued by the agent's home state.

(6) The commissioner shall waive any requirements for a nonresident license applicant with a valid license from his or her home state, except the requirements imposed by subsection (1) of this section, if the applicant's home state awards nonresident licenses to residents of Kentucky on the same basis.

(7) As a condition to or in connection with the continuation of an insurance producer license issued under this section, the licensee must maintain the applicable license in his or her home state. The insurance producer license issued under this section shall terminate and be surrendered to the commissioner if and when the licensee's applicable home state license terminates for any reason.

Section 18. KRS 304.9-150 is amended to read as follows:

(1) Application for a ***license issued under this subtitle, surplus lines broker license, viatical settlement broker license, or viatical settlement provider***[~~consultant~~] license shall be made by the applicant. Applications under this subsection shall be ***certified as true under penalty of perjury***[~~signed and sworn to~~] by the applicant[~~ before a notary public or other person authorized by law to take acknowledgments of deeds~~].

(2) The form of application shall require full answers to any questions as may be reasonably necessary to determine the applicant's identity, residence, personal history, business record, financial responsibility, experience in insurance, purpose for which the license is to be used, and other facts as required by the commissioner to determine whether the applicant meets the applicable qualifications for the license applied for.

(3) The application shall state the kinds of insurance ***and any applicable lines of authority*** proposed to be transacted.

(4) The application shall also show whether the applicant was ever ***convicted of or is currently charged with committing a crime; whether the applicant was ever involved in an administrative proceeding regarding any professional or occupational license; whether the applicant has a history of not being financially responsible; whether the applicant has any delinquent tax obligation that is not the subject of a repayment agreement; whether the applicant is currently charged with or has ever been found liable of fraud, misappropriation, conversion of funds, misrepresentation, or breach of fiduciary duty; whether the applicant has child support obligations in arrearage or is subject to a child support related subpoena or warrant***[~~previously licensed to transact any kind of insurance in this state or elsewhere; whether any license was ever refused, suspended, revoked, or renewal or continuance denied; whether any insurer, general agent, agent, claims applicant is indebted to it, and if so, the details thereof~~]; and whether ***the*** applicant has ever had ***a business relationship with an insurer terminated for any alleged misconduct***[~~an agency contract canceled~~], and the facts thereof.

(5) The commissioner may require additional information or submissions from resident applicants and may obtain any documents or information reasonably necessary to verify the information contained in an application.

(6) All applications shall be accompanied by the applicable license fee and examination fee, in the respective amounts stated in KRS 304.4-010.

(7)[~~(6)~~] No applicant for ***any*** license[~~ under this subtitle~~] shall willfully misrepresent or withhold any fact or information called for in the application form or in connection therewith.

Section 19. KRS 304.9-170 is amended to read as follows:

No prelicensing education or[~~KRS 304.9-160 shall not apply and no~~] examination shall be required of:

(1) ***(a) An individual licensee who allows his or her license to lapse if the license renewal fee is paid within twelve (12) months from the due date of the license renewal fee. However, a penalty in the amount of double the unpaid renewal fee shall be imposed. The department shall issue a license with the same lines of authority as the lapsed license.***

(b) Any applicant for license covering any line of authority to which the applicant was licensed under a similar license in Kentucky, other than a temporary license, within the ***twelve (12)***[~~twenty-four (24)~~] months next preceding date of application***. The applicant is not eligible for this exemption if***[~~, unless~~] the previous license was revoked or suspended by the commissioner for reasons other than failure to maintain financial responsibility or ***to meet***[~~meeting~~] continuing education requirements as required by KRS 304.9-105 and 304.9-295.

(2) An individual who applies for an ***insurance producer***[~~agent~~] license in Kentucky who was previously licensed for the same lines of authority in another state shall not be required to complete any prelicensing education or examination. This exemption is only available if the applicant is currently licensed in the other state or if the application is received within ninety (90) days of the cancellation of the applicant's previous license and if the prior state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's database records, maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries, indicate that the ***insurance producer***[~~agent~~] is or was licensed in good standing for the line of authority requested.

(3) An individual licensed as an agent in another state within the last twelve (12) months who moves to Kentucky shall make application within ninety (90) days of establishing legal residence to become a resident licensee. No prelicensing education or examination shall be required of that applicant to obtain a license for any line of authority previously held in the prior home state except where the commissioner determines otherwise by administrative regulation.

(4) An applicant for an ***insurance producer's***[~~agent's~~] license who is currently licensed ***in Kentucky*** as[~~ a solicitor or as~~] a consultant as to the same line of authority, or has been so licensed within twelve (12) months next preceding the date of application for the license, unless the previous license was revoked or suspended or continuation thereof refused by the commissioner for reasons other than failure to maintain financial responsibility as required by KRS 304.9-330.

(5) Any applicant for license covering the same line of authority as to which that applicant shall have held a valid license issued in accordance with this subtitle or other applicable Kentucky law which was surrendered, in accordance with KRS 304.2-080 or other applicable law, in order to accept employment with the Department of Insurance, provided, however, that the applicant shall apply for relicensing within ***twelve (12) months***[~~one (1) year~~] of the date of termination of his or her employment with the Department of Insurance.

Section 20. KRS 304.9-200 is amended to read as follows:

(1)[~~ An agent license shall remain in effect unless terminated, canceled, expired, revoked, or suspended as long as the fees set forth in KRS 304.4-010 and all administrative regulations promulgated thereunder are paid and any applicable continuing education requirements for individual agents are met by the due date.~~]

~~(2) An individual agent who allows his or her license to lapse may, within twelve (12) months from the due date of the renewal fee, reinstate the same license without the necessity of passing a written examination. However, a penalty may be imposed as provided in KRS 304.99-020.~~

~~(3) A licensed agent who is unable to comply with license renewal procedures due to military service, a long-term medical disability, or some other extenuating circumstance may request a waiver of those procedures. The agent may also request a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.~~

~~(4)~~] The license ***issued under this subtitle or to a surplus lines broker, viatical settlement broker, or viatical settlement provider*** shall contain the licensee's name, ***city and state of principal place of business*** address, personal identification number, and the date of issuance, the lines of authority, and any other information the commissioner deems necessary.

(2)[~~(5)~~] ***The licensee***[~~Licensees~~] shall inform the commissioner in writing in a format acceptable to the commissioner of a change of address or change of ***legal*** name within thirty (30) days of the change.

(3)[~~(6)~~] After completion of application for a license, ***completion of any prelicensing education required under this chapter, payment of applicable fees,*** and the taking and passing of any examination required under this ***chapter***[~~subtitle~~], the commissioner shall promptly consider the ***application***[~~same~~]. If the commissioner finds that the applicant has fully met the requirements for licensure, the commissioner shall promptly issue the license to the applicant; otherwise, the commissioner shall refuse to issue the license and promptly notify the applicant[~~ and the appointing insurer or agent~~] of the refusal, stating the grounds thereof.

(4)[~~(7)~~] If a license is refused, the commissioner shall promptly refund ***any***[~~the~~] appointment fee tendered with the license application. All other fees for application for ***license or examination***[~~agent, consultant, or adjuster licenses~~] shall be deemed earned when paid and shall not be refundable.

(5) In order to assist in the performance of the commissioner's duties, the commissioner may contract with nongovernmental entities, including the National Association of Insurance Commissioners or its affiliate or subsidiary to perform ministerial functions, including the collection of fees or data related to licensing.

Section 21. KRS 304.9-210 is amended to read as follows:

(1) The license of an agent shall not specify the name of any particular insurer by which the licensee is appointed as agent and the licensee may represent as an agent under the one (1) license as many insurers as may appoint the agent in accordance with this subtitle.

(2) The license of a consultant shall show whether the license is for a "***property and casualty***[~~general lines~~] consultant" or a "life ***and health*** consultant."

Section 22. KRS 304.9-230 is amended to read as follows:

(1) The commissioner may issue, in accordance with KRS 304.9-080, an agent's license with the line of authority limited as follows:

(a) To ***surety***[~~motor vehicle physical damage~~] insurance only;

(b) To ***travel***[~~common carrier~~] insurance, incidental to the transportation of persons or to the storage or transportation of property only, and solicited or sold by persons representing common carriers in the course of that representation;

(c) To limited line credit insurance only;

(d) To crop-hail insurance only; ***and***

(e)[~~ To mechanical breakdown insurance only; and~~

~~(f)~~] To other limited line insurance only, as specified by the commissioner through the promulgation of administrative regulations.

(2) The commissioner shall promulgate administrative regulations to establish the requirements for prelicensing courses of instruction and examination for each limited lines license.

(3) On and after the effective date of this Act, the commissioner shall not issue an agent license with a limited line of authority for motor vehicle physical damage or for mechanical breakdown insurance. However, an agent license with a limited line of authority for motor vehicle physical damage or for mechanical breakdown insurance in effect on the effective date of this Act, shall continue in effect until surrendered or otherwise terminated in accordance with this subtitle.

SECTION 23. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) A business entity issued a license in accordance with this subtitle, or issued a surplus lines broker, viatical settlement broker, or viatical settlement provider license shall designate only individuals to act under the business entity license.

(2) Each designated individual shall:

(a) Hold the same kind of license as the business entity;

(b) If the business entity license has lines of authority, have one (1) or more of the same lines of authority; and

(c) If the business entity license has appointments, have an appointment with any insurer the individual represents on behalf of the business entity.

(3) The licensed business entity shall file with the commissioner:

(a) Notice of the designation of an individual within thirty (30) days of the designation; and

(b) Notice of termination of designation of an individual within thirty (30) days of the termination of designation.

(4) (a) On or before January 31 of each year, each licensed business entity shall file with the commissioner an annual report of all designated individuals whose designations were not terminated on or prior to December 31 of the preceding calendar year.

(b) The report shall include each individual licensee's name, identification number, and lines of authority the individual is designated to exercise on behalf of the business entity.

(5) The notice and report shall be on a form or in a format prescribed by the commissioner.

(6) A licensed business entity required to act only through a designated individual licensee shall have at least one (1) licensed individual designated with the commissioner at all times. If the business entity fails to have at least one (1) licensed individual designated with the commissioner, the business entity license shall be deemed revoked and shall be promptly surrendered to the commissioner without demand.

Section 24. KRS 304.9-260 is amended to read as follows:

(1) Each[~~ consultant, adjuster, and surplus lines broker~~] license issued under this ***subtitle, surplus lines broker license, viatical settlement broker license, and viatical settlement provider license***[~~code~~] shall continue in force until expired,

suspended, revoked, or otherwise terminated, but subject to payment ***biennially*** to the commissioner at his or her office in Frankfort on or before ***the due date*** March 31 of the applicable ***renewal***[~~continuation~~] fee for any[~~ appointment, or~~] license[~~ in the case of a limited license, not terminated on or prior to December 31 of the preceding calendar year~~] as stated in KRS 304.4-010, accompanied by[~~ written~~] request for ***renewal***[~~continuation~~]. ***Beginning January 1, 2003***, request for ***renewal***[~~continuation~~] shall be made as follows:

(a) ***At least thirty (30) days before the renewal request and fees are due from the licensee, the department shall distribute to each respective licensee a list of his or her licenses to be renewed during that calendar year. With the licensee's written consent, an insurer or the licensee's employer may request that the department send the renewal list to the insurer or to the employer. The department may distribute the renewal list to the requesting insurer or employer instead of to the licensee;***

(b) An individual licensee whose birth date is in an even-numbered year shall submit the renewal request and fees to the commissioner by the last day of the licensee's birth month in the next even-numbered year after the date the license is issued, and each subsequent even-numbered year thereafter;

(c) An individual licensee whose birth date is in an odd-numbered year shall submit the renewal request and fees to the commissioner by the last day of the licensee's birth month in the next odd-numbered year after the date the license is issued, and each subsequent odd-numbered year thereafter;

(d) A business entity that is issued a license in an even-numbered year shall submit the renewal request and fees to the commissioner by March 31 of the next even-numbered year, and each subsequent even-numbered year thereafter; and

(e) A business entity that is issued a license in an odd-numbered year shall submit the renewal request and fees to the commissioner by March 31 of the next odd-numbered year, and each subsequent odd-numbered year thereafter[~~As to adjuster and surplus lines broker licenses, request made and signed by the licensee.~~

~~(b) As to limited licenses issued under KRS 304.9-230, request made and signed by the insurer so represented~~].

(2) [~~Biennially, before January 31, the department shall distribute to each respective licensee, employer, and insurer a listing of the names and addresses of that person's licensees referred to in subsection (1) whose appointments were in effect during the preceding calendar year and who were not terminated on or prior to December 31 of that calendar year. Any appointment or license not expressly terminated shall continue in effect as to the kinds of insurance or classifications for which the respective licensees are currently appointed and subject to payment of the fees specified under KRS 304.4-010. On or before March 31, each licensee, employer, or insurer shall submit the continuation of appointment fee, as specified in KRS 304.4-010, for each appointment or license not terminated on or prior to December 31 of the preceding calendar year.~~]Any license referred to in subsection (1) of this section ***for***[~~as to~~] which ***the*** request for ***renewal***[~~continuation~~] and fee are not[~~ so~~] received by the commissioner shall be deemed to have expired at midnight on ***the last day of the birth month for individuals and on*** March 31 ***for business entities***[~~; except that any request and fees received by the commissioner after March 31 and prior to the next following June 30 may be accepted and effectuated by the commissioner, in his or her discretion, if accompanied by a penalty as provided in Subtitle 99 of this chapter~~].

(3) ***A licensee who is unable to comply with license renewal procedures due to military service, long-term medical disability, or some other extenuating circumstance may make a written request for a waiver of those procedures. The licensee may also make a written request for a waiver of any examination requirement, fine, or other sanction imposed for failure to comply with these renewal procedures***[~~The license of an agent shall continue in force as long as there is in effect as to the licensee, as shown by the commissioner's records, an appointment or appointments as agent of authorized insurers covering collectively all of the lines of authority included in the agent's license. Upon termination of all of the licensee's appointments as to a particular line of authority and failure to replace an appointment within sixty (60) days thereafter, the license shall expire and terminate as to the line of authority and the licensee shall promptly deliver his or her license to the commissioner for reissuance, without fee or charge, as to the line of authority, if any, covered by the licensee's remaining agency appointments. Upon termination of all of the licensee's appointments and failure to obtain a new appointment within sixty (60) days, the license shall terminate and be surrendered to the commissioner~~].

(4) As a condition to or in connection with the continuation of any ***insurance producer***[~~agent or consultant~~] license, the commissioner may require the licensee to file with him or her information relative to use made of the license during the next preceding calendar year and especially as to whether the license has been used principally for the writing of controlled business, as defined in KRS 304.9-100.

(5)[~~ As a condition to or in connection with the continuation of any agent license, the commissioner shall require continuous demonstration of financial responsibility as required by KRS 304.9-105(6), and any license shall terminate and be surrendered to the commissioner, as provided therein, if and when the demonstration becomes impaired whether or not valid appointments under the license are then existent.~~

~~(6) Except as to the provisions of subsection (5) hereof,~~]This section does not apply to temporary licenses issued under KRS 304.9-300.

Section 25. KRS 304.9-270 is amended to read as follows:

(1) Each insurer appointing an agent***, including rental vehicle agent, rental vehicle managing employee, specialty credit***

producer, and specialty credit managing employee, in this state shall obtain approval of the appointment from the commissioner by filing with the commissioner the notice of appointment in writing, specifying the ***lines of authority***~~[kinds of insurance or classifications]~~ thereof to be transacted by the agent for the insurer, and submit~~[the license fee with the license application and]~~ the appointment fee with every appointment~~[, or license fee in the case of limited licenses,]~~ as specified in KRS 304.4-010.

(2) No agent shall claim to be an agent or representative of, or in any way imply a contractual relationship with, a particular insurer, or place applications for insurance with an insurer unless the agent becomes an appointed agent of the insurer and the agent's appointment has been approved by the commissioner.

(3) An agent may act as a representative of and place insurance with an insurer without first obtaining approval of the appointment by the commissioner for a period of thirty (30) days from the date the first insurance application is executed by the agent subject to the following criteria:

(a) The agent has filed with the commissioner, and thereafter kept in force, evidence of financial responsibility in the sum of not less than one million dollars ($1,000,000) per occurrence, and the sum of two million dollars ($2,000,000) in the aggregate, for all occurrences within one (1) year, either in the form of an errors and omissions insurance policy issued by an authorized insurer, a bond issued by an authorized corporate surety, a deposit, or any combination of these evidences of financial responsibility. Such a policy, bond, deposit, or combination shall not be terminated unless at least thirty (30) days' prior written notice is given to the licensee and the commissioner***; and***~~[.]~~

(b) If the agent does not receive from the insurer acknowledgment that the agent's appointment has been approved by the commissioner within thirty (30) days from the date the first insurance application is executed, the agent shall immediately discontinue acting as an agent on behalf of the insurer until acknowledgment is received.

(4) (a) The insurer shall, no later than forty-five (45) days from the date the agency contract is executed or the first insurance application is submitted by an agent, whichever is earlier, file with the commissioner a written notice of appointment on a form prescribed by the commissioner.

(b) If there is no executed agency contract, the insurer shall also mail to the agent, within the same forty-five (45) day period specified in paragraph (a) of this subsection, a copy of the notice of appointment form filed with the commissioner.

(5) Within fifteen (15) days of receipt of the notice of appointment, the commissioner shall determine and notify the insurer whether the agent is eligible for appointment. If the agent's license is in good standing and no other grounds exist to deny the appointment, the commissioner shall approve the appointment.

(6) Subject to ***renewal***~~[continuation]~~ by the insurer as provided in subsection ***(7)***~~[(4)]~~ of this section, each appointment shall remain in effect until the ***earliest of the following:***

(a) The commissioner revokes or otherwise terminates the insurance producer's license;

(b) The commissioner suspends, revokes, or otherwise terminates the appointment; or

(c) ~~[agent's license is revoked or otherwise terminated, unless]~~The insurer~~[earlier]~~ terminates the appointment as provided in KRS 304.9-280.

(7) Biennially, before January 31, the department shall distribute to each insurer a listing of the names and ***individual identification numbers***~~[addresses]~~ of that insurer's agents whose ***appointments***~~[appointment, or licenses in the case of limited licenses,]~~ were in effect during the preceding calendar year and who were not terminated on or prior to December 31 of that calendar year. Any appointment~~[or license]~~ not expressly terminated shall remain in effect as to the ***lines of authority***~~[kinds of insurance or classifications]~~ thereof for which the respective agents are currently appointed, and subject to the fees specified under KRS 304.4-010. On or before March 31, each insurer shall submit the ***renewal***~~[continuation]~~ of appointment fee~~[, or license fee in the case of limited licenses,]~~ as specified in KRS 304.4-010, for each appointment not terminated on or prior to December 31 of the preceding calendar year.~~[Any appointment or license not expressly terminated shall continue, unless otherwise terminated, canceled, suspended, or revoked by the Department of Insurance.]~~

(8) Any appointment as to which the request for renewal and fees are not received by the commissioner by March 31 shall be deemed to have expired at midnight on March 31. Any appointment renewal request and fees received by the commissioner after March 31 and prior to the next following June 30 may be accepted by the commissioner, in his or her discretion, and the expired appointment may be reinstated as of March 31 if the late request and fees are accompanied by a penalty as provided in Section 53 of this Act.

Section 26. KRS 304.9-295 is amended to read as follows:

(1) This section shall apply to individuals licensed as agents.

(2) This section shall not apply to:

(a) ~~[Licensees holding]~~Limited lines of authority ***under agent*** licenses, as exempted by the commissioner in accordance with KRS 304.9-230;

(b) Licensees not licensed for one (1) full year prior to the end of ***the applicable***~~[a]~~ continuing education biennium~~[as described in subsection (3) of this section]~~;

(c) Licensees holding nonresident licenses who have met the continuing education requirements of their home state and whose home state gives credit to Kentucky resident ***licensees***[~~agents~~] on the same basis; or

(d) Licensees maintaining their licenses for the sole purpose of receiving renewals or deferred commissions and providing the department with a supporting affidavit.

(3) ***A licensee, who holds an agent license and who is***[~~The licensees specified in subsection (1) of this section and~~] not exempt under subsection (2) of this section[~~ who hold a license~~], shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education courses, of which twelve (12) shall be classroom hours, during each continuing education biennium. A continuing education biennium shall begin on July 1 and end on June 30 two (2) years later.

(4) Only continuing education courses approved by the commissioner shall be used to satisfy the continuing education requirement of subsection (3) of this section ***and any other continuing education requirement of this chapter***.

(a) The continuing education courses which meet the commissioner's standards for continuing education requirements are:

1. Any part of the Life Underwriter Training Council life course curriculum;
2. Any part of the Life Underwriter Training Council health course curriculum;
3. Any part of the American College Chartered Life Underwriter diploma curriculum;
4. Any part of the American Institute for Property and Liability Underwriters' chartered property and casualty underwriter profession designation program;
5. Any part of the Insurance Institute of America's programs;
6. Any part of the certified insurance counselor program;
7. Any insurance related course taught at an accredited college or university, if the course is approved by the commissioner;
8. Any course of instruction or seminar developed or sponsored by any authorized insurer, recognized agent association, recognized insurance trade association, or any independent program of instruction, if approved by the commissioner;
9. Any correspondence course approved by the commissioner; and
10. Any course in accordance with provisions of reciprocal agreements the commissioner enters with other states.

(b) The commissioner shall prescribe the number of hours of continuing education credit for each continuing education course approved in accordance with this subsection. Continuing education courses submitted in accordance with a reciprocal agreement shall be approved according to the provisions of the reciprocal agreement.

(c) If a continuing education course requires successful completion of a written examination, no continuing education credit shall be given to licensees who do not successfully complete the written examination.

(d) The fee for filing continuing education courses for approval by the commissioner shall be as specified in Subtitle 4 of KRS Chapter 304.

(e) For continuing education courses of reciprocal states, continuing education providers shall be approved in accordance with the provisions of the reciprocal agreements.

(5) An individual teaching any approved continuing education course shall qualify for the same number of hours of continuing education credit as would be granted to a licensee taking and satisfactorily completing the course.

(6) Excess credit hours accumulated during any continuing education biennium may be carried forward. The commissioner may, by regulation, limit the number of hours carried forward.

(7) For good cause shown, the commissioner may grant an extension of time during which the continuing education requirement of subsection (3) of this section may be completed, but the extension of time shall not exceed two (2) years. What constitutes good cause for the extension of time rests within the discretion of the commissioner.

(8) Every licensee subject to this section shall furnish to the commissioner written certification as to the continuing education courses satisfactorily completed by the licensee. The certification shall be signed by or on behalf of the organization sponsoring the continuing education course. The certification shall be on a form prescribed by the commissioner.

(9) The license ***or line of authority requiring continuing education shall terminate if the individual holding the license or line of authority fails***[~~of any individual failing~~] to comply with the continuing education requirement[~~ of subsection (3) of this section~~] and who has not been granted an extension of time to comply in accordance with subsection (7) of this section***. If the license has terminated, the license***[~~shall terminate and~~] shall be promptly surrendered to the commissioner without demand. ***If the line of authority has terminated but another line of authority not requiring continuing education is still in effect, the license shall be promptly delivered to the commissioner for reissuance as to the line of authority still in effect.***

(10) The license of any individual subject to the continuing education requirement shall be suspended or revoked, a civil penalty imposed, or both, in accordance with KRS 304.9-440 if the individual submits to the commissioner a false or

fraudulent certificate of compliance with the continuing education requirement.

Section 27. KRS 304.9-330 is amended to read as follows:

(1) ***To the extent the Gramm-Leach-Bliley Act, 15 U.S.C. sec. 6751(f), provides that evidence of financial responsibility may be required for licensing,*** every applicant for license as a consultant shall file with the commissioner with his application for license, and shall maintain in effect while so licensed:

(a) The certificate of an insurer authorized to write legal liability insurance in this state, that ***the***[~~such~~] insurer has and will keep in effect on behalf of ***the consultant***[~~such a person~~] a policy of insurance covering the legal liability of ***the consultant***[~~such licensed person~~] as the result of erroneous acts or failure to act in his capacity as an insurance consultant, and inuring to the benefit of any aggrieved party as the result of any single[~~ such~~] occurrence in the sum of not less than ten thousand dollars ($10,000) and fifty thousand dollars ($50,000) in the aggregate for all[~~ such~~] occurrences within one (1) year, and that ***the***[~~such~~] policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner; or

(b) A deposit with the commissioner of cash, or a cash surety bond executed by an insurer authorized to write ***this***[~~such~~] business in this Commonwealth, in the sum of ten thousand dollars ($10,000) which shall be subject to lawful levy of execution by any party to whom the ***consultant***[~~licensed person~~] has been found to be legally liable as the result of erroneous acts or failure to act in his capacity as a consultant.

(2) The bond shall indemnify any person damaged by any fraudulent or unlawful act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as ***the***[~~such~~] licensee.

(3) The bond shall remain in force until released by the commissioner, or until canceled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon thirty (30) days advance written notice to the licensee and the commissioner.

Section 28. KRS 304.9-370 is amended to read as follows:

(1) Application for and acceptance of a license ***issued under this subtitle or as a surplus lines broker***[~~as a consultant, agent, or adjuster~~] by a nonresident of Kentucky shall[~~ thereby~~] be deemed to constitute irrevocable appointment of the Secretary of State as the attorney of the licensee for the acceptance of service of process issued in this state in any action or proceeding against the licensee arising out of the licensing or out of transactions under the license.

(2) Service of process against any nonresident licensee may be made in any action by service upon the Secretary of State as provided in KRS 304.3-230.

Section 29. KRS 304.9-390 is amended to read as follows:

(1) Every ***individual and business entity issued a license with Kentucky as its home state***[~~agent referred to in subsection (1) of KRS 304.9-120~~] shall have and maintain in this state a place of business accessible to the public, and wherein the licensee principally conducts transactions under his or her license. ***This provision shall not be deemed to prohibit maintenance of this place of business in the office of an insurer, office of the employer, or in the residence of the licensee***[~~The address of the place shall appear upon the license. Nothing in this section shall prohibit maintenance of such a place in the licensee's residence in this state~~].

(2) The licenses of the licensee shall be conspicuously displayed in ***each of*** the ***places***[~~place~~] of business in a part customarily open to the public.

(3) The ***licensee***[~~agent~~] shall keep at his ***or her*** place of business complete records of transactions under ***the***[~~his~~] license.

(a) The records shall be kept available for inspection by the commissioner for a period of at least five (5) years after completion of the respective transactions.

(b) For an insurance producer, the record shall show, as to each insurance policy or contract placed by or through the licensee, the names of the insurer and insured, the number and expiration date of, and premium payable as to, the policy or contract, and any other information as the commissioner may reasonably require.[~~ The record shall be kept available for inspection by the commissioner, for a period of at least five (5) years after completion of the respective transactions.~~]

Section 30. KRS 304.9-400 is amended to read as follows:

That portion of all premiums or moneys which an ***insurance producer***[~~agent~~] collects from an insured and which is to be paid to an insurer, its agents, its managing general agents or his or her principal because of the assumption of liability through the issuance of policies or contracts for insurance, shall be held by the ***insurance producer***[~~agent~~] in a fiduciary capacity and shall not be misappropriated or converted to his or her own use or illegally withheld by the ***insurance producer***[~~agent~~].

Section 31. KRS 304.9-410 is amended to read as follows:

(1) ***An agent with a line of authority for property, casualty, or limited line surety insurance***[~~A general lines agent~~] may:

(a) Occasionally place an insurance coverage with an insurer as to which he ***or she*** is not then appointed as an agent, and such insurer may accept such business only when placed through ***an appointed***[~~a licensed resident~~] agent[~~,~~] of the insurer. Both agents involved in ***this***[~~such an~~] exchange of business must be then licensed as to all of the kinds of insurance represented by the coverage; and

(b) Without limitation, place insurance coverage with an insurer as to which he is not then appointed as agent, and such insurer may accept such business only if placed through a licensed managing general agent.

(2) ***An agent with a line of authority for***[~~A~~] life or health insurance[~~ agent~~] may, occasionally, place with another insurer as to which he ***or she*** is not ***appointed***[~~licensed~~] as agent, a particular risk or portion thereof which has been rejected by the insurers as to which the agent is licensed or is known to the agent to be unacceptable to such insurers, and without then being licensed as to ***the***[~~such~~] other insurer.

(3) The commissioner shall, by regulation, establish the amount or volume of business that constitutes the occasional placement of business permitted by subsections (1) and (2) of this section. Such regulations may be based on a percentage or ratio of the agent's business or any other appropriate standard.

Section 32. KRS 304.9-425 is amended to read as follows:

(1) No insurer, financial institution, agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant shall pay, directly or indirectly, any commission, brokerage, or other valuable consideration to any individual or business entity for services as an agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant within this state, unless the individual or business entity held at the time the services were performed a valid license for that line of insurance as required by the laws of this state for the services***.***

(2) No[~~; nor shall any~~] individual or business entity, other than an individual or business entity duly licensed by this state as an agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant at the time the services were performed, ***shall*** accept any[~~ such~~] commission, brokerage, or other valuable consideration ***for those services***.

(3) [~~Provided, that ~~]This section shall not prevent payment or receipt of renewal or other deferred commissions to or by any individual or business entity entitled under this section.

(4) Services as an agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant within this state shall not include a referral by an unlicensed person of a consumer to a licensed agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant that does not include a discussion of specific insurance policy terms and conditions.

(5) No insurer, financial institution, agent surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant shall pay any compensation, fee, or other consideration to an individual not licensed to sell insurance for the referral of a consumer to a licensed individual based, in whole or in part, on the purchase of insurance by the consumer.

Section 33. KRS 304.9-430 is amended to read as follows:

(1) No individual or business entity shall in this state act as or hold himself or herself out to be an adjuster unless then licensed by the Kentucky Department of Insurance as an adjuster. Application for license shall be made to the commissioner according to forms as prescribed and furnished by him or her. The commissioner shall issue the license as to applicants qualified upon payment of the license application fee stated in KRS 304.4-010.

(2) To be licensed as an adjuster the applicant shall:

(a) Be an individual twenty-one (21) years or more of age***;***[~~.~~]

(b) Be a resident of Kentucky, or resident of another state which will permit residents of Kentucky to act as adjusters in the other state***;***[~~.~~]

(c) Be an employee of an insurer, a full-time salaried employee of a licensed adjuster or a graduate of a recognized law school, or have experience or special education or training as to the handling of loss claims under insurance contracts of sufficient duration and extent to make him or her reasonably competent to fulfill the responsibilities of an adjuster***;***[~~.~~]

(d) Be trustworthy and of good reputation***;***[~~.~~]

(e) Have and maintain an office accessible to the public, and keep therein the usual and customary records pertaining to transactions under the license. This provision shall not be deemed to prohibit maintenance of the office in the office of an insurer, of the employer, or in the home of the licensee***;***[~~.~~]

(f) Have successfully passed a written examination prescribed by the commissioner, except if the applicant has successfully passed a written examination in a state which permits residents of Kentucky to act as adjusters in the other state***; and***

(g) Be financially responsible to exercise the license.

(3) A business entity, whether or not organized under the laws of this state, may be licensed as an adjuster if each individual who is to exercise the license powers is ***designated with the commissioner as to the license in accordance with Section 23 of this Act***~~[named in the license or registered with the commissioner under the license, and is qualified as for an individual license as adjuster. An additional full license fee shall be paid as to each individual in excess of one (1), so named in the license or so registered to exercise its powers]~~.

(4) ***The commissioner may required additional information or submissions from applicants and may obtain any documents or information reasonably necessary to verify the information contained in application.***

(5) Notwithstanding the provisions of this section,~~[Except, that]~~ no adjuster's license or qualifications shall be required as to any adjuster who is sent into this state on behalf of an insurer for the purpose of investigating or making adjustment of a particular loss under an insurance policy, or for the adjustment of a series of losses resulting from a catastrophe common to all losses.

Section 34. KRS 304.9-432 is amended to read as follows:

(1) In the event that an applicant for an adjuster's license meets the qualification requirements of KRS 304.9-430 except that he or she has not had experience or special education or training as to the handling of loss claims under insurance contracts of sufficient duration and extent to make him or her reasonably confident to fulfill the responsibilities as an adjuster, he or she shall not be required to take and successfully complete the prescribed written examination and may be issued a temporary license as an apprentice adjuster for a period not to exceed ***twelve (12) months***~~[one hundred eighty (180) days]~~.

(2) A temporary license as an apprentice adjuster shall be subject to the following terms and conditions:

(a) An individual holding a temporary license as apprentice adjuster shall have all of the privileges and obligations of an adjuster licensed under the insurance code;

(b) An individual holding a temporary license as an apprentice adjuster shall at all times be a full-time salaried employee of an insurer or an adjuster and subject to training, direction, and control by a licensed adjuster acting in the same capacity as that for which the applicant applied;

(c) A temporary license as apprentice adjuster shall be subject to suspension, revocation, or conditions in accordance with KRS 304.9-440; and

(d) An individual may hold only one (1) temporary license as an apprentice adjuster.

Section 35. KRS 304.9-440 is amended to read as follows:

(1) The commissioner may place on probation, suspend, or may impose conditions upon the continuance of a license for not more than twelve (12) months, revoke, or refuse to issue or renew any license issued under this subtitle or any surplus lines broker***, viatical settlement broker, or viatical settlement provider*** license, or may levy a civil penalty in accordance with KRS 304.99-020, or any combination of actions for any one (1) or more of the following causes:

(a) Providing incorrect, misleading, incomplete, or materially untrue information in the license application***;***~~[.]~~

(b) Violating any insurance laws, or violating any administrative regulations, subpoena, or order of the commissioner or of another state's insurance commissioner***;***~~[.]~~

(c) Obtaining or attempting to obtain a license through misrepresentation or fraud***;***~~[.]~~

(d) Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance ***or viatical settlement*** business***;***~~[.]~~

(e) Intentionally misrepresenting the terms of an actual or proposed insurance contract***, viatical settlement contract,*** or application for insurance***;***~~[.]~~

(f) Having been convicted of any felony***;***~~[.]~~

(g) Having admitted or been found to have committed any unfair insurance trade practice or insurance fraud***;***~~[.]~~

(h) Using fraudulent, coercive, or dishonest practices; or demonstrating incompetence, untrustworthiness, or financial irresponsibility; or being a source of injury or loss to the public in the conduct of business in this state or elsewhere***;***~~[.]~~

(i) Having ***an***~~[any]~~ insurance license, ***viatical settlement license,*** or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;

(j) Surrendering or otherwise terminating any other license issued by this state or by any other jurisdiction, under threat of disciplinary action, denial, or refusal of the issuance of or renewal of any other license issued by this state or by any other jurisdiction; or revocation or suspension of any other license held by the licensee issued by this state or by any other jurisdiction;

(k) Forging another's name to an application for insurance***,***~~[or]~~ to any ***other*** document related to an insurance transaction***, or to any document related to a viatical settlement transaction***;

(l) Cheating, including improperly using notes or any other reference material to complete an examination for~~[an insurance]~~ license;

(m) Knowingly accepting insurance ***or viatical settlement*** business from an individual ***or business entity*** who is not licensed, but who is required to be licensed under this subtitle;

(n) Failing to comply with an administrative or court order imposing a child support obligation;

(o) Failing to pay state income tax or to comply with any administrative or court order directing payment of state income tax;

(p) Having been convicted of a misdemeanor for which restitution is ordered in excess of three hundred dollars ($300), or of any misdemeanor involving dishonesty, breach of trust, or moral turpitude; or

(q) Any other cause for which issuance of the license could have been refused, had it then existed and been known to the commissioner.

(2) The license of a business entity may be suspended, revoked, or refused for any cause relating to an individual designated in or registered under the license if the commissioner finds that an individual licensee's violation was known or should have been known by one (1) or more of the partners, officers, or managers acting on behalf of the ***business entity***[~~partnership or corporation~~] and the violation was not reported to the Department of Insurance nor corrective action taken. The applicant or licensee may make written demand upon the commissioner in accordance with KRS 304.2-310 for a hearing before the commissioner to determine the reasonableness of the commissioner's action.

(3) The commissioner shall retain the authority to enforce the provisions and penalties of this chapter against any individual or business entity who is under investigation for or charged with a violation of this chapter, even if the individual's or business entity's license has been surrendered or has lapsed by operation of law.

SECTION 36. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) An individual or business entity holding a license issued under this subtitle or holding a license as a surplus lines broker, viatical settlement broker, or viatical settlement provider shall notify the commissioner in writing immediately if the licensee's license to conduct insurance, securities, real estate, auctioneer, investment, financial, or financial planning business of any kind in this state or elsewhere is surrendered or terminated under threat of disciplinary action, refused, suspended, revoked, or renewal of continuance is denied.

(2) A licensee shall report to the commissioner any administrative action taken against the licensee in another jurisdiction or by another governmental agency in Kentucky within thirty (30) days of the final disposition of the matter. This report shall include:

(a) A written statement identifying the type of license and explaining the circumstances of each incident;

(b) A copy of the notice of hearing or other document that states the charges and allegations; and

(c) A copy of the official document which demonstrates the resolution of the charges or any final judgment.

(3) Within thirty (30) days of service upon the licensee of any criminal complaint, information, or indictment in any jurisdiction, the licensee shall submit to the commissioner the following:

(a) A written statement explaining the circumstances of each incident;

(b) A copy of the charging document; and

(c) A copy of the official document which demonstrates the resolution of the charges or any final judgment.

(4) If the charges alleged in the criminal complaint, information, or indictment have not been finally resolved within the thirty (30) day period following service of the criminal complaint, information, or indictment, the licensee shall, within thirty (30) days following the resolution of the charges, submit to the commissioner a copy of the official document which demonstrates the resolution of the charges or any final judgment.

Section 37. KRS 304.9-705 is amended to read as follows:

(1) No ***individual or business entity***[~~person, firm, association, or corporation~~] shall act as a reinsurance intermediary broker in ***Kentucky***[~~this state~~] if the reinsurance intermediary broker maintains an office either directly or as a ***director, officer,*** member***,*** or[~~ an~~] employee of a ***business entity***[~~firm or association, or an officer, director, or employee of a corporation~~]:

(a) In ***Kentucky***[~~this state~~], unless the reinsurance intermediary broker is a licensed ***insurance*** producer in ***Kentucky and may sell reinsurance products under that insurance producer license***[~~this state~~]; or

(b) In another state, unless the reinsurance intermediary broker is a licensed ***insurance*** producer in ***Kentucky and may sell reinsurance products under that producer license, or is licensed in***[~~this state or~~] another state having a law substantially similar to KRS 304.9-700 to 304.9-759***,*** or the reinsurance intermediary broker is licensed in Kentucky as a nonresident reinsurance intermediary.

(2) No ***individual or business entity***[~~person, firm, association, or corporation~~] shall act as a reinsurance intermediary manager:

(a) For a reinsurer domiciled in Kentucky, unless the reinsurance intermediary manager is a licensed ***insurance*** producer in Kentucky ***and may sell reinsurance products under that insurance producer license***;

(b) In Kentucky, if the reinsurance intermediary manager maintains an ***office***[~~officer~~], either directly or as a ***director, officer,*** member***,*** or employee of a ***business entity***[~~firm or association, or an officer, director, or employee of a corporation~~] in Kentucky, unless the reinsurance intermediary manager is a licensed ***insurance*** producer in

Kentucky and may sell reinsurance products under that insurance producer license[~~this state~~]; or

(c) In another state for a nondomestic insurer, unless the reinsurance intermediary manager is a licensed ***insurance*** producer in Kentucky ***and may sell reinsurance products under that insurance producer license, is licensed in***[~~or~~] another state having a law substantially similar to KRS 304.9-700 to 304.9-759***,*** or the person is licensed in Kentucky as a nonresident reinsurance intermediary.

(3)[~~The commissioner may require a reinsurance intermediary manager subject to subsection (2) of this section to:~~

~~(a) File a bond in an amount from an insurer authorized to do business in Kentucky for the protection of the reinsurer; and~~

~~(b) Maintain an errors and omissions insurance policy issued by an insurer authorized to do business in Kentucky in an amount acceptable to the commissioner.~~

~~(4)~~] (a) The commissioner may issue a reinsurance intermediary license to any ***individual or business entity***[~~person, firm, association, or corporation~~] who has complied with the requirements of KRS 304.9-700 to 304.9-759 ***and who is financially responsible to exercise the license***. The license issued to a ***business entity***[~~firm or association~~] shall ***be exercised only by individuals designated with the commissioner as to the license in accordance with Section 23 of this Act***[~~permit all members of the firm or association and any designated employees to act as reinsurance intermediaries under the license, and all persons shall be named in the application and any changes shall be filed in writing with the commissioner. The license issued to a corporation shall permit all of the officers, and any designated employees and directors thereof, to act as reinsurance intermediaries on behalf of the corporation, and all persons shall be named in the application and any changes shall be filed in writing with the commissioner.~~

~~(b) If the applicant for a reinsurance intermediary license is a nonresident, the applicant, as a condition precedent to receiving or holding a license, shall designate the Secretary of State as agent for service of process in the manner, and with the same legal effect, provided for by this chapter for designation of service of process upon unauthorized insurers, and shall furnish the commissioner with the name and address of a resident of Kentucky upon whom notices or orders of the commissioner or process affecting the nonresident reinsurance intermediary may be served. The reinsurance intermediary shall promptly notify the commissioner in writing of every change in the person designated to receive notices or orders of the commissioner or process, and the change shall not become effective until acknowledged by the commissioner~~].

(4)[~~(5)~~] The commissioner may refuse to issue a reinsurance intermediary license if, in his judgment, the applicant, anyone named on the application, or any member, principal, officer, or director of the applicant is not trustworthy or of good reputation, or that any controlling person of the applicant is not trustworthy to act as a reinsurance intermediary, or that any of the foregoing persons have given cause for revocation or suspension of the license, or has failed to comply with any prerequisite for the issuance of the license.

(5)[~~(6)~~] Licensed attorneys at law of Kentucky, when acting in their professional capacity as ***attorneys***[~~such~~], shall be exempt from this section.

Section 38. KRS 304.10-120 is amended to read as follows:

(1) Any person[~~ while licensed in this state as an agent~~] who:

(a) Is a resident of Kentucky ***or is a nonresident who is not eligible to be issued a license in accordance with Section 17 of this Act***;

(b) ***Holds an agent license with lines of authority for property and casualty; and***[~~Has been continuously licensed for at least three (3) years;~~]

(c) Is deemed by the commissioner to be competent and trustworthy with respect to the handling of surplus lines;[~~ and~~

~~(d) Represents at least three (3) insurers admitted to transact property or casualty insurance in Kentucky;~~]

may be licensed as a surplus lines broker.

(2) Application for the license shall be made to the commissioner on forms as designated and furnished by the commissioner.

(3) The license fee shall be as specified in KRS 304.4-010.

(4) The license and licensee shall be subject to the applicable provisions of Subtitle 9 of this chapter.

(5)[~~ In order for a surplus lines broker's license to be renewed, the licensee shall have at least five (5) current appointments with property or casualty insurers admitted to do business in Kentucky.~~

~~(6)~~] Notwithstanding subsection (1)[~~(a)~~] of this section, on or after July 1, 2002, an ***applicant***[~~individual~~] licensed as a surplus lines broker in the applicant's home state may be issued a nonresident surplus lines broker's license in Kentucky if the applicant's home state issues surplus lines broker licenses to Kentucky residents on the same basis.

Section 39. KRS 304.10-140 is amended to read as follows:

(1) ***To the extent the Gramm-Leach-Bliley Act, 15 U.S.C. sec. 6751(f), provides that evidence of financial responsibility may be required for licensing,*** prior to issuance of a license as a surplus lines broker, the applicant shall file with the commissioner, and for as long as the license remains in effect shall keep in force:

(a)[~~(1)~~] Evidence of financial responsibility in the sum of not less than one million dollars ($1,000,000) per occurrence, and the sum of two million dollars ($2,000,000) in the aggregate, for all occurrences within one (1) year, either in the form of an errors and omissions insurance policy issued by an authorized insurer, a bond issued by an authorized corporate surety, a deposit, or a combination of a bond issued by an authorized corporate surety and a deposit. The policy, bond, deposit, or combination of a bond or deposit shall not be terminated unless at least thirty (30) days' prior written notice is given to the licensee and the commissioner; and

(b)[~~(2)~~] A bond in favor of the State of Kentucky in the penal sum of fifty thousand dollars ($50,000), with an authorized corporate surety guaranteeing that he or she will conduct business under the license in accordance with the provisions of this subtitle and that he or she will promptly remit the taxes required by KRS 304.10-180. The aggregate liability of the surety for any and all claims on any bond shall in no event exceed the penal sum. No bond shall be terminated unless not less than thirty (30) days' prior written notice is given to the licensee and filed with the commissioner.

(2) An insurer issuing coverage under subsection (1)(a) or (b) of this section may offer, as a part of the policy or as an optional endorsement to the policy, deductibles optional to the surplus lines broker applicant or licensee for the payment of claims. Deductible amounts offered in accordance with this section shall be fully disclosed to the applicant or licensee in writing. If the applicant or licensee chooses a deductible policy, the insurer shall pay the deductible amount initially and the licensee shall be liable to the insurer, at the time and in the manner prescribed in the policy, for the amount of the deductible. If the licensee fails to reimburse the insurer as required by this subsection, his or her surplus lines broker license and all other licenses issued by the commissioner are revoked and shall be promptly surrendered to the commissioner without demand. Nothing contained in this subsection is intended to or shall in any manner alter or affect the rights of the insurer to collect the reimbursement for the deductible from the surplus lines broker.

Section 40. KRS 304.10-170 is amended to read as follows:

(1) Each broker shall, ***within thirty (30) days of the end of each calendar quarter***[~~on or before the first day of April of each year~~], file with the commissioner a verified statement of all surplus lines insurance transacted by him during the preceding calendar ***quarter***[~~year~~].

(2) The statement shall be on forms as prescribed[~~ and furnished~~] by the commissioner and shall show:

(a) Gross amount of each kind of insurance transacted;

(b) Aggregate of gross premiums charged;

(c) Aggregate of returned premiums paid insureds;

(d) Aggregate of net premiums; and

(e) Additional information as required by the commissioner.

Section 41. KRS 304.10-180 is amended to read as follows:

(1) Each broker shall pay the following taxes:

(a) [~~On or before the first day of April each year, ~~]A tax at the rate of three percent (3%) on the premiums, assessments, fees, charges, or other consideration deemed part of the premium as defined in KRS 304.14-030, on surplus lines insurance subject to tax transacted by him or her with unauthorized insurers during the preceding calendar ***quarter***[~~year~~] as shown by his or her ***quarterly***[~~annual~~] statement filed with the commissioner ***in accordance with Section 40 of this Act***. The tax shall not be assessed on the premium surcharge tax, the local government premium tax, or any other state or federal tax. The tax shall be remitted to the commissioner ***within thirty (30) days of the end of each calendar quarter***. When collected the tax shall be credited to the insurance regulatory trust fund, as established by KRS 304.2-400;

(b) The premium surcharge tax, to be remitted to the Kentucky Revenue Cabinet, in accordance with KRS 136.392; and

(c) The local government premium tax, to be remitted to the appropriate city, county, or urban-county government taxing authority, in accordance with KRS 91A.080.

(2) If a surplus lines policy covers risks or exposures only partially in this state the tax so payable shall be computed upon the proportion of the premium which is properly allocable to the risks or exposures located in this state.

Section 42. KRS 304.12-100 is amended to read as follows:

Nothing in KRS 304.12-080 and 304.12-090 shall be construed as prohibiting:

(1) Payment of lawfully earned commission or other lawful compensation to duly licensed ***insurance producers as defined in Section 4(4) of this Act;***[~~agents, surplus lines brokers, and solicitors.~~]

(2) Distribution by a participating insurer to its participating policyholders of dividends, savings, or the unused or unabsorbed portion of premiums and premium deposits***;***[~~.~~]

(3) Furnishing of information, advice***,*** or services for the purpose of reducing the loss or liability to loss under a policy***;***[~~.~~]

(4) Life insurers from paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus

accumulated from nonparticipating insurance, if such bonus or abatement is fair and equitable to all policyholders and for the best interests of the insurer and its policyholders***;***[~~.~~]

(5) In the case of insurance policies issued on the debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the savings in collection expense or making allowance to policyholders who make premium payments at less frequent intervals than required***; or***[~~.~~]

(6) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of any policy year of insurance thereunder, which may be made retroactive only for such policy year.

Section 43. KRS 304.12-110 is amended to read as follows:

No insurer, ***insurance producer as defined in Section 4(4) of this Act***[~~agent, surplus lines broker, solicitor~~], or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

(1) Any employment***;***[~~.~~]

(2) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto***;***[~~.~~]

(3) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any profits or special returns or special dividends***; or***[~~.~~]

(4) Any prizes, goods, wares, merchandise, or property of an aggregate value in excess of ten dollars ($10).

Section 44. KRS 304.12-140 is amended to read as follows:

(1) No person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property shall require, as a condition to[~~ such~~] financing or lending, ***or varying the terms and conditions of the financing or lending,*** or as a condition to the renewal or extension of any[~~ such~~] loan ***or credit*** or to the performance of any other act in connection with[~~ such~~] financing or lending, that the purchaser or borrower, or his successors, shall negotiate through a particular insurer***;***[~~ or insurers, insurance~~] agent[~~ or agents~~], ***or*** type of insurer[~~ or types of insurers~~], any policy of insurance or renewal[~~ thereof~~] insuring ***the***[~~such~~] property or the life or health of the borrower.

(2) This section shall not prevent the reasonable exercise by any[~~ such~~] vendor or lender of ***its***[~~his~~] right to approve or disapprove the insurer selected to underwrite the insurance, and to determine the adequacy of the insurance offered.

Section 45. KRS 304.12-150 is amended to read as follows:

Every debtor, borrower***,*** or purchaser of property with respect to which insurance of any kind is required in connection with a debt or loan on ***the***[~~such~~] property shall be informed by the creditor or lender of his right of free choice in the selection of the agent and insurer through or by which such insurance is to be placed. There shall be no interference either directly or indirectly with ***the***[~~such~~] borrower's, debtor's***,*** or purchaser's free choice of an agent and of an insurer, ***the creditor or lender shall not collect a separate charge for the handling of insurance required in connection with a loan or extension of credit based on the consumer's choice of agent or insurer,*** and the creditor or lender shall not refuse an adequate policy so tendered by the borrower, debtor***,*** or purchaser. Upon notice of any refusal of ***an adequate***[~~such tendered~~] policy, the commissioner shall order the creditor or lender to accept the tendered policy, if he determines that such refusal is not in accordance with the requirements set out in subsection (2) of KRS 304.12-140. Failure to comply with ***the***[~~such an~~] order of the commissioner shall be deemed a violation of this section.

Section 46. KRS 304.12-170 is amended to read as follows:

No insurer, financial institution, agent, surplus lines broker, adjuster, administrator, reinsurance intermediary, broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider, or consultant shall use[~~Whenever the instrument requires that the purchaser, mortgagor or borrower furnish insurance of any kind on real or personal property being conveyed or as collateral security to a loan, the mortgagee or lender shall refrain from disclosing or using~~] any[~~ and all such~~] insurance information to his or its own advantage and to the detriment of either the ***consumer or to any***[~~borrower, purchaser, mortgagor,~~] insurer or ***licensee subject to this chapter***[~~company or agency complying with the requirements relating to insurance~~].

Section 47. KRS 304.32-120 is amended to read as follows:

When the annual statement of a corporation subject to the provisions of this subtitle shall have been filed and all fees due from the corporation shall have been paid, the corporation's certificate of authority to do business in this state shall automatically be extended until such time as the commissioner refuses to relicense the corporation.[~~ When the fee involved in the renewal of an agent's license shall have been paid by the corporation, or the individual agent, the license shall automatically be extended until such time as the commissioner refuses to renew the license.~~]

Section 48. KRS 304.32-180 is repealed and reenacted to read as follows:

(1) ***An agent of the corporation shall be licensed as an agent with a health line of authority in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent licenses.***

(2) Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 26 of this Act.

(3) An agent of the corporation shall be appointed by the corporation in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments[~~"Agent" means any person authorized by a corporation subject to the provisions of this subtitle and on its behalf to solicit applications for subscription or membership, or offers or assumes to act in the negotiation thereof. To qualify for an agent's license an applicant shall:~~

~~(a) Be above the age of eighteen (18) years;~~

~~(b) Be a bona fide resident of and actually reside in this state;~~

~~(c) Be a trustworthy person;~~

~~(d) Be appointed as an agent by one (1) or more corporations subject to the provisions of this subtitle;~~

~~(e) Make application to the commissioner in the manner and form prescribed by him. As a part or in connection with any application, the applicant shall furnish information concerning his identity, personal history, experience, business record, purposes, and any other information the commissioner may reasonably require;~~

~~(f) Pay the fee provided in Subtitle 4 of this chapter; and~~

~~(g) Take an examination given by the commissioner as a test of his qualifications and competence.~~

~~(2) Agents' licenses shall expire at midnight on March 31 unless the licensee prior thereto has filed with the commissioner, on forms prescribed and furnished by him, a request for continuation of license accompanied by payment of the renewal fee as provided in Subtitle 4 of this chapter, except that any request for continuation filed with the commissioner after such March 31 and prior to the next following June 30 may be accepted and effectuated by the commissioner, in his discretion, if accompanied by a penalty as prescribed in Subtitle 99 of this chapter.~~

~~(3) Agents shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education courses, of which twelve (12) must be classroom hours, during each continuing education biennium, as provided by KRS 304.9-295 and any administrative regulations promulgated thereunder~~].

Section 49. KRS 304.32-270 is amended to read as follows:

Nonprofit hospital, medical-surgical, dental, and health service corporations shall be subject to the provisions of this subtitle, and to the following provisions of this code, to the extent applicable and not in conflict with the express provisions of this subtitle:

(1) Subtitle 1 -- Scope -- General Definitions and Provisions;

(2) Subtitle 2 -- Insurance Commissioner;

(3) Subtitle 7 -- Investments;

(4) Subtitle 8 -- Administration of Deposits;

(5) Subtitle 12 -- Trade Practices and Frauds;

(6) Subtitle 25 -- Continuity of Management;

(7) Subtitle 33 -- Insurers Rehabilitation and Liquidation;

(8) Subtitle 18 -- KRS 304.18-110, 304.18-120 -- Group Conversion and KRS 304.18-045;

(9) Subtitle 4 -- Fees and Taxes;

(10) Subtitle 99 -- Penalties;

(11) Subtitle 14 -- KRS 304.14-500 to 304.14-560;

(12) Subtitle 17A -- Health Benefit Plans;[~~ and~~]

(13) Subtitle 17B -- Kentucky Access*; and*

(14) Subtitle 9 -- Agents, Consultants, Solicitors and Adjusters.

Section 50. KRS 304.38-110 is repealed and reenacted to read as follows:

(1) *An agent of a health maintenance organization shall be licensed as an agent with a health line of authority in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent licenses.*

(2) Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 26 of this Act.

(3) An agent of a health maintenance organization shall be appointed by the health maintenance organization in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments[~~The commissioner shall promulgate such reasonable rules and regulations as are necessary to provide for the licensing of agents, and the termination or revocation of such license. An "agent" means any person directly or indirectly associated with such organization who engages in solicitation or enrollment of persons for profit or pecuniary gain in a health maintenance organization.~~

~~(2) Agents shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education courses, of which twelve (12) must be classroom hours, during each continuing education biennium, as provided in KRS 304.9-295 and any~~

~~administrative regulations promulgated thereunder~~].

Section 51. KRS 304.48-100 is repealed and reenacted to read as follows:

(1) An agent of a liability self-insurance group shall be licensed as an agent with property and casualty lines of authority in accordance with Subtitle 9 of this chapter regulating all aspects of agent licenses.

(2) Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 26 of this Act.

(3) An agent of a liability self-insurance group shall be appointed by the liability self-insurance group in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments[~~The commissioner shall promulgate reasonable administrative regulations as are necessary to provide for the licensing of agents appointed or sponsored by the liability self-insurance group and the termination or revocation of such license~~].

Section 52. KRS 304.99-020 is amended to read as follows:

(1) For any violation of this code where the commissioner has the power to revoke or suspend a license or certificate of authority he may in lieu thereof or in addition to such revocation or suspension impose a civil penalty against the violator in the case of an insurer, a fraternal benefit society, nonprofit hospital, medical-surgical, dental, and health service corporation, ***or*** health maintenance organization[~~, or prepaid dental plan organization~~], of not more than ten thousand dollars ($10,000) per violation; in the case of an agent, ***surplus lines*** broker***, rental vehicle agent or managing employee, specialty credit producer or managing employee, or reinsurance intermediary broker or manager***[~~or solicitor~~] of not more than one thousand dollars ($1,000) per violation; in the case of an adjuster, administrator, ***viatical settlement broker, viatical settlement producer,*** or consultant of not more than two thousand dollars ($2,000) per violation.

(2) Such civil penalty may be recovered in an action brought thereon in the name of the Commonwealth of Kentucky in any court of appropriate jurisdiction.

(3) In any court action with respect to a civil penalty, the court may review the penalty as to both liability and reasonableness of amount.

Section 53. KRS 304.99-100 is amended to read as follows:

The appointment of an agent, including rental vehicle agent, rental vehicle managing employee, specialty credit producer, and specialty credit managing employee, may be renewed by an insurer under KRS[~~The licenses of each solicitor, consultant, adjuster, surplus lines broker, agent, and fraternal benefit society agent may be continued or renewed under KRS 304.9-260 and~~] 304.9-270 if the request ***and late payment*** for[~~ continuation or~~] renewal is accompanied by a penalty equal to the amount of the biennial[~~ continuation or~~] renewal fee specified in Subtitle 4 of this chapter.

Section 54. The following KRS sections are repealed:

304.9-136 Compensation for referral of consumers by employees of a general agency -- Conditions.

304.9-142 Fees charged to out-of-state individuals or business entities.

304.32-190 Agents: appointment.

304.32-200 Revocation of agent's license.

The Committee Substitute to **HB 165** is as follows:

HB 165, AN ACT relating to insurance licenses of individuals and business entities licensed under Subtitles 9 and 10 of KRS Chapter 304.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.2-160 is amended to read as follows:

Each written and signed complaint received by the Department of Insurance shall be recorded by the department, including the subsequent disposition thereof, and maintained for a period of not less than five (5) years. The records of such complaints shall be indexed whenever applicable both by the name of the insurer and by the name of the ***licensee, including*** agent,[~~ solicitor,~~] surplus lines broker, adjuster***, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant involved. The commissioner shall consider such complaints before issuing or renewing any certificate of authority or license.

Section 2. KRS 304.2-220 is amended to read as follows:

For the purpose of ascertaining compliance with law, or relationships and transactions between any[~~ such~~] person and any insurer or proposed insurer, the commissioner may as often as reasonably necessary examine the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs or proposed insurance affairs and transactions of:

(1) Any insurance holding company; or person holding the shares of voting stock or policyholder proxies of an insurer as voting trustee or otherwise, for the purpose of controlling the management thereof***;***[~~.~~]

(2) Any insurance agent,[~~ solicitor, general agent,~~] surplus lines broker, adjuster, consultant, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing***

employee, or any person holding himself out as any of the foregoing***;***[~~.~~]

(3) Any person having a contract under which he enjoys by terms or in fact the exclusive or dominant right to manage or control the insurer, as voting trustee, or otherwise***; and***[~~.~~]

(4) Any person in this state engaged in, or proposing to be engaged in this state in, or holding himself out in this state as so engaging or proposing, or in this state assisting in the promotion, formation or financing of an insurer or insurance holding corporation, or corporation or other group to finance an insurer or the production of its business.

Section 3. KRS 304.4-040 is amended to read as follows:

The commissioner may revoke the certificate of authority, of any insurer which fails to pay when due, any taxes, fees, licenses and other charges owing to this state. The commissioner may likewise revoke the license of any agent, surplus lines broker,[~~ solicitor,~~] adjuster***, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant, as to whom any tax or fee required under this code has not been paid when due.

Section 4. KRS 304.9-020 is amended to read as follows:

As used in this subtitle:

(1) "Agent" means an individual or business entity ***appointed by an insurer to sell or to solicit applications for insurance or annuity contracts or to negotiate insurance or annuity contracts on its behalf;***[~~required to be licensed and appointed under the laws of this state to sell, solicit, or negotiate insurance or annuity contracts.~~]

(2) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, employer group, professional employer organization, or other legal entity***;***[~~.~~]

(3) "Home state" means the District of Columbia and any state or territory of the United States in which a licensee maintains his or her principal place of residence or principal place of business and is licensed by that state ***to act as an insurance producer;***[~~.~~]

(4) ***"Insurance producer" means an individual or business entity required to be licensed under the laws of Kentucky to sell, solicit, or negotiate insurance or annuity contracts. Insurance producer includes agent, surplus lines broker, reinsurance intermediary broker and manager, rental vehicle agent and managing employee, specialty credit producer and managing employee, and consultant;***[~~A "general lines" agent is an agent who transacts any one (1) or more of the following kinds of insurance:~~

~~(a) Property insurance;~~

~~(b) Casualty insurance;~~

~~(c) Surety insurance;~~

~~(d) Marine and transportation insurance;~~

~~(e) Health insurance, when transacted for an insurer also represented by the same agent as to property or casualty insurance; and~~

~~(f) Mortgage guaranty insurance.~~]

(5) "Limited line credit insurance" includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, ***guaranteed*** automobile ***protection***[~~dealer gap~~] insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the commissioner determines should be designated a form of limited line credit insurance***;***[~~.~~]

(6) "Limited line credit insurance agent" means an individual or business entity who sells, solicits, or negotiates one (1) or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy***;***[~~.~~]

(7) "Negotiate" means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract***;***[~~.~~]

(8) "Sell" means to exchange a contract of insurance by any means, for money or other valuable consideration, on behalf of an insurer***;***[~~.~~]

(9) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company***;***[~~.~~]

(10) "Terminate" means the cancellation of the relationship between an ***insurance producer***[~~agent~~] and the insurer or the termination of an ***insurance producer's***[~~agent's~~] authority to transact insurance***;***[~~.~~]

(11) "Uniform business entity application" means the current version of the National Association of Insurance Commissioners Uniform Business Entity Application for resident and nonresident business entities***; and***[~~.~~]

(12) "Uniform ***individual*** application" means the current version of the National Association of Insurance Commissioners Uniform Application for resident and nonresident ***individuals***[~~agent licensing~~].

Section 5. KRS 304.9-030 is amended to read as follows:

(1) Unless denied a license ***according to Section 36 of this Act***~~[under this subtitle]~~, applicants who have met the requirements for the license in accordance with this subtitle, shall be issued the applicable license.

(2) An insurance agent may receive qualification for a license in one (1) or more of the following ***applicable*** lines of authority:

(a) Life -- insurance coverage on human lives including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income;

(b) Health -- insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income;

(c) Property -- insurance coverage for the direct or consequential loss or damage to property of every kind;

(d) Casualty -- insurance coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property;

(e) Variable life and variable annuity products -- insurance coverage provided under variable life insurance contracts ***and***~~[,]~~ variable annuities~~[, or any other life insurance or annuity product that reflects the investment experience of a separate account]~~;

(f) Limited line ***--*** insurance as identified in KRS 304.9-230;

(g) ***Personal lines -- property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes***~~[Marine and transportation insurance as defined in KRS 304.5-080;~~

~~(h) Mortgage guaranty insurance as defined in KRS 304.5-100]~~; and

(h)~~[(i)]~~ Any other line of insurance authorized by Kentucky law and deemed by the commissioner appropriate to be issued as a separate line of authority.

Section 6. KRS 304.9-035 is amended to read as follows:

Any insurer shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurer and are acting within the scope of their authority. ***Licensed individuals designated by a business entity to exercise the business entity's agent license shall be deemed agents of the insurer if the business entity holds an appointment from the insurer.***

Section 7. KRS 304.9-040 is amended to read as follows:

(1) A "consultant" is an individual, who as an independent contractor in relation to his client, for fee or compensation other than from an insurer, in any manner advises or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under, an insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights, or interests under such contract, or relative to the retention, exchange, surrender, or exercise of rights thereunder. This subsection shall not apply as to an attorney while ***acting under a license***~~[licensed]~~ to practice law in this state.

(2) A "***property and casualty***~~[general lines]~~ consultant" is ***an individual***~~[one]~~ licensed as a consultant as to ***property insurance contracts, casualty insurance contracts, health insurance contracts issued by property or casualty insurers, and surety contracts***~~[any one (1) or more of the following kinds of insurance:~~

~~(a) Casualty insurance.~~

~~(b) Property insurance.~~

~~(c) Surety insurance.~~

~~(d) Marine and transportation insurance.~~

~~(e) Health insurance.~~

~~(f) Mortgage guaranty insurance]~~.

(3) A "life and health consultant" is ***an individual***~~[one]~~ licensed as a consultant as to life insurance contracts, annuity contracts and health insurance contracts.

Section 8. KRS 304.9-051 is amended to read as follows:

As used in KRS 304.9-052 and 304.9-371 to 304.9-377:

(1) An "administrator" is ***an individual or business entity***~~[a person]~~ who collects charges or premiums from or who adjusts or settles claims on, residents of this state in connection with life insurance, health insurance, annuities, nonprofit hospital, medical-surgical, dental, and health service corporation contracts, health maintenance organization contracts, or~~[prepaid dental plan organization contracts or]~~ other life, health, or annuity benefit plans. The following are not considered to be acting as administrator:

(a) An employer acting on behalf of its employees or the employees of one (1) or more subsidiary or affiliated corporations of the employer;

(b) A union on behalf of its members;

(c) An insurer, which is ***acting as the insurer with respect to the contract if the insurer is***~~[either]~~ authorized or permitted to transact business in Kentucky or ***if the contract is***~~[acting as an insurer with respect to a contract]~~ lawfully delivered or issued for delivery by it in and pursuant to the laws of a state in which it was authorized or permitted to do business;

(d) A life or health insurance agent licensed in Kentucky whose activities are limited exclusively to the sale of insurance;

(e) A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors;

(f) A trust, its trustees, agents, and employees acting thereunder, established in conformity with 29 U.S.C. sec. 186;

(g) A trust exempt from taxation under 26 U.S.C. sec. 501(a), its trustees, and employees acting thereunder, or a custodian, its agents, and employees acting pursuant to a custodian account which meets the requirements of 26 U.S.C. sec. 401(f);

(h) A bank, credit union, or other financial institution which is subject to supervision or examination by federal or state banking authorities;

(i) A credit card issuing company which advances for and collects premiums or charges from its credit card holders who have authorized it to do so, provided such company does not adjust or settle claims; or

(j) ***An individual***[~~A person~~] who adjusts or settles claims in the normal course of practice or employment as an attorney-at-law, and who does not collect charges or premiums in connection with coverages issued by insurers.

(2)[~~ "Insurance" is coverage issued by an insurer as defined herein.~~

~~(3)~~] An "insured" is a person covered under an insurance contract, nonprofit hospital, medical-surgical, dental, and health service corporation contract, health maintenance organization contract,[~~ prepaid dental plan organization contract,~~] or other source of benefits.

[~~(4) An "insurer" is an insurer, nonprofit hospital, medical-surgical, dental, health service corporation, health maintenance organization, prepaid dental plan organization, or other sources of benefits.~~]

Section 9. KRS 304.9-052 is amended to read as follows:

(1) No ***individual or business entity***[~~person~~] shall in this state be, act as, or hold himself out to be an administrator unless then licensed as an administrator by the commissioner.

(2) For the protection of the people of this state, the commissioner shall not issue, continue, or permit to exist any administrator license for any person unless such person demonstrates to the satisfaction of the commissioner that the following standards are met:

(a) If ***an individual***[~~a natural person~~], the applicant has attained the age of twenty-one (21) years;

(b) The applicant is competent, trustworthy, reliable, and of good reputation;

(c) The applicant has attained an educational level acceptable to the commissioner;

(d) The applicant is financially responsible;

(e) The applicant has not had any license issued by the commissioner, or application therefor, terminated for cause;

(f) The applicant has paid the fee prescribed in KRS 304.4-010;

(g) If a ***business entity***[~~corporation or firm~~], each ***individual***[~~person~~] authorized to act for the ***business entity***[~~corporation or firm~~] under its administrator license ***shall be designated with the commissioner in accordance with Section 24 of this Act***[~~must hold an administrator license~~]; and

(h) Administrator licenses shall be ***renewed in accordance with Section 25 of this Act***[~~issued by the commissioner to expire on March 31, 1987, and to be renewed biennially thereafter.~~

~~(3) The license of an administrator may be suspended or revoked, a civil penalty imposed in lieu thereof, or both, for any reason an insurance agent's license could be suspended or revoked, a civil penalty imposed in lieu thereof, or both, pursuant to KRS 304.9-440. The procedures of KRS 304.9-440, 304.9-450, and 304.9-460 relating to suspended or revoked insurance agent licenses apply to administrator licenses.~~

~~(4) Nonresident administrators are deemed to have irrevocably appointed the Secretary of State as agent for the acceptance of service of process issued in Kentucky in any action or proceeding against the licensee arising out of such licensing or out of transactions under the license. The Secretary of State shall administer service of process on nonresident administrators in the manner of service of process on nonresident insurance agents~~].

Section 10. KRS 304.9-070 is amended to read as follows:

An adjuster is any person, who for fee or compensation as an employee of an insurer or an independent contractor investigates or settles claims arising under insurance contracts[~~ or annuity contracts~~], on behalf solely of either the insurer or the insured. The definition of adjuster shall not be deemed to include, and license as an adjuster shall not be required of:

(1) Attorneys-at-law admitted to practice in this state***, when acting in their professional capacity as attorneys***;

(2) Licensed resident agent of the insurer to whom claim authority has been granted by the insurer if the agent receives no compensation for performing adjusting services;

(3) Salaried traveling representatives of a mutual or reciprocal insurer;

(4) Persons employed only for the purpose of obtaining facts surrounding a loss or furnishing technical assistance to a licensed

adjuster, including***,*** but not limited to***,*** photographers, estimators, private investigators, engineers, and handwriting experts; ***or***

(5) Persons performing adjusting services under their limited insurance agent's licenses for crop-hail insurance pursuant to KRS 304.9-230.

Section 11. KRS 304.9-080 is amended to read as follows:

(1) An individual or business entity shall not sell, solicit, or negotiate insurance in this state unless the individual or business entity is licensed ***as the appropriate insurance producer*** for that line of authority in accordance with this subtitle ***or Subtitle 10 of this chapter***.

(2) No individual or business entity shall in this state be, act as, or hold himself or herself out as ***an***[~~a consultant or~~] adjuster unless then licensed as ***an***[~~a consultant or~~] adjuster[~~ respectively~~]. ***No individual shall in this state be, act as, or hold himself or herself out as a consultant unless then licensed as a consultant.*** No consultant shall act as a consultant with respect to any kind of insurance as to which he or she is not then licensed as a consultant.

(3) A consultant license ***shall***[~~must~~] cover either or both of the following categories, as selected by the licensee:

(a) ***Property and casualty***[~~General lines~~]; ***and***

(b) Life and health.

A consultant licensed in both categories shall qualify separately for, and be licensed in, each category.

(4) No individual licensed as a consultant shall act as a consultant until he or she has filed with the commissioner a bond or insurance ***in accordance with***[~~as prescribed in~~] KRS 304.9-330.

(5) Except as provided in KRS 304.9-410 and KRS 304.9-270(3), no agent shall place, and no insurer shall accept, any insurance with any insurer as to which the agent does not then hold a license and appointment as agent under this subtitle.

(6) ***No rental vehicle agent, rental vehicle managing employee, specialty credit producer, or specialty credit managing employee shall place, and no insurer shall accept, any insurance with any insurer as to which the licensee does not then hold a license and appointment under this subtitle.***

(7) The commissioner shall prescribe and furnish all forms required under this subtitle as to licenses and appointments.

Section 12. KRS 304.9-085 is amended to read as follows:

(1) A "managing general agent" is an individual or business entity appointed by an insurer to solicit applications from agents for insurance contracts or to negotiate insurance contracts on behalf of an insurer and, if authorized to do so by an insurer, to effectuate and countersign insurance contracts.

(2) No individual or business entity shall in this state be, act as, or hold himself or herself out as a managing general agent unless then licensed as a managing general agent. In order to qualify for a managing general agent license, an individual shall:

(a) Hold ***an***[~~a general lines~~] agent license ***with property and casualty lines of authority*** and be appointed by each authorized insurer the licensee holds the contract to represent;

(b) If a nonresident, hold a nonresident[~~ general lines~~] agent license ***with property and casualty lines of authority*** and be appointed by each authorized insurer the licensee ***holds a contract to represent***[~~represents~~] in Kentucky[~~. Nonresidents are subject to the restrictions of KRS 304.9-140~~]; and

(c) Hold a surplus lines broker license if any unauthorized insurers are represented or used.

In order for a business entity to qualify for a managing general agent license, all individuals acting on behalf of the ***business entity***[~~corporation or firm~~] under its license shall be licensed ***agents with property and casualty lines of authority and shall be designated with the commissioner as to the license in accordance with all provisions of Section 24 of this Act except for subsection (2)(a)***[~~general lines agents~~].

(3) As used in this chapter, "agent" includes managing general agent unless the context requires otherwise.

(4) A managing general agent is a representative of the insurers which the managing general agent holds a contract to represent. ***Each insurer is***[~~Such insurers are~~] liable for the acts of the managing general agent in representing ***that insurer***[~~the insurers~~].

(5) The commissioner shall ***renew managing general agent licenses in accordance with Section 25 of this Act***[~~issue managing general agent licenses to expire on March 31, 1988, and to be renewed biennially thereafter~~].

Section 13. KRS 304.9-090 is amended to read as follows:

(1)[~~ The definition of consultant shall not be deemed to include the supervising managing general agent (except as defined in KRS 304.9-085) or supervising officer or employee of an insurer who solicits only with duly licensed resident agents of the insurer.~~

~~(2)~~] Nothing in this subtitle shall be construed to require an insurer to obtain ***a license as an insurance producer***[~~an agent license~~]. As used in this section, the term "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.

(2)[~~(3)~~] A license as an ***insurance producer***[~~agent or consultant~~] shall not be required of the following:

(a) An officer, director, or employee of an insurer or of an ***insurance producer***[~~agent~~], provided that the officer, director, or employee does not receive any commission or other valuable consideration on policies written or sold to insure risks residing, located, or to be performed in this state[~~ and whose compensation is not varied by the volume of applications taken or received~~], and:

1. The officer, director, or employee's[~~ full-time~~] activities are devoted to functions that are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance; or

2. The officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or

3. The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting ***insurance producers***[~~agents~~] where the officer's, director's, or employee's activities are limited to providing technical advice and assistance to licensed ***insurance producers***[~~agents~~] and do not include the sale, solicitation, or negotiation of insurance;

(b) The individual secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance, or for the purpose of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans; or performs administrative services related to a mass marketed property and casualty insurance, where no commission is paid to the individual for the service;

(c) An employer or association or its officers, directors, employees, or the trustees of an employee trust plan, to the extent that the employers, officers, employees, directors, or trustees are engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer, as long as the employers, associations, officers, directors, employees, or trustees are not in any manner compensated, directly or indirectly, by the ***insurer***[~~company~~] issuing the contracts;

(d) Employees of insurers or organizations employed by insurers who are engaging in the inspection, rating, or classification of risks, or in the supervision of the training of ***insurance producers***[~~agents~~] who are not individually engaged in the sale, solicitation, or negotiation of insurance;

(e) An individual or business entity whose activities in this state are limited to advertising without the intent to solicit insurance in this state through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of the state, provided that the individual or business entity does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in this state;

(f) An individual or business entity who is not a resident of this state who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one (1) state insured under that contract, provided that the individual or business entity is otherwise licensed as an ***insurance producer***[~~agent~~] to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state; ***or***

(g) A salaried full-time employee who counsels or advises his or her employer relative to the insurance interest of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell, solicit, or negotiate insurance or receive a commission[~~; or~~

~~(h) Employees of an insurer or an agent who responds to requests from existing policyholders on existing policies, provided that those employees are not directly compensated based on the volume of premiums that may result from these services, and provided that those employees do not otherwise sell, solicit, or negotiate insurance~~].

Section 14. KRS 304.9-100 is amended to read as follows:

(1) The purpose of a license issued under this subtitle to an ***insurance producer***[~~agent, or solicitor~~] is to authorize and enable the licensee actively and in good faith to engage in the business of insurance with respect to the general public, and to facilitate the public supervision of such activities in the public interest; and not for the purpose of enabling the licensee to receive a rebate of premium in the form of "commission" or other compensation upon his own interest or upon those of other persons with whom he is closely associated in capacities other than as an insurance ***producer***[~~agent, or solicitor~~].

(2) The commissioner shall not grant, renew, continue***,*** or permit to exist any license ***of an insurance producer***[~~as agent, or solicitor~~] as to any applicant therefor or licensee thereunder if he finds that the license has been or is being or will probably be used by the applicant or licensee principally for the purpose of writing "controlled business," that is:

(a) Insurance on his own interest or those of his family or of his employer; or

(b) Insurance or annuity contracts covering himself or members of his family, or the officers, directors, stockholders, partners, employees***,*** or debtors of a partnership, association, or corporation of which he or a member of his family is an officer, director, stockholder, partner, associate, or employee.

(3) Such a license shall be deemed to have been, or intended to be, used principally for the purpose of writing controlled business if the commissioner finds that during any twelve (12) months' period the aggregate premiums accruing or to

accrue from[~~ such~~] controlled business have exceeded or probably will exceed the aggregate premiums accruing or to accrue on other business written or probably to be written by ***the***[~~such~~] applicant or licensee during the same period.

(4) This section shall not apply as to:

(a) Insurance of the interest of a motor vehicle sales or financing agent in a motor vehicle sold or financed by it***;***[~~.~~]

(b) Insurance of the interest of real property mortgagee in the mortgaged property, except title insurance***;***[~~.~~]

(c) ***Limited line credit insurance; and***

(d) Rental vehicle insurance[~~Credit life, credit health, credit personal property and credit unemployment insurance~~].

Section 15. KRS 304.9-105 is amended to read as follows:

An individual applying for an agent license shall make application to the commissioner on the uniform ***individual*** application ***or other application prescribed by the commissioner*** and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find that the applicant:

(1) Is at least eighteen (18) years of age;

(2) Has fulfilled the residence requirements as set forth in KRS 304.9-120 ***or is a nonresident who is not eligible to be issued a license in accordance with Section 18 of this Act***;

(3) Has not committed any act that is a ground for denial, suspension, or revocation set forth in KRS 304.9-440;

(4) Is trustworthy, reliable, and of good reputation, evidence of which shall be ***determined through an investigation by the commissioner***[~~submitted on behalf of the applicant in the form of:~~

~~(a) A certificate by the insurer or agent by which or whom the applicant is to be appointed or employed, subject to the issuance of the license, stating that the insurer has either made, or caused to be made by responsible investigators, an investigation into the trustworthiness, reliability, and good reputation of the applicant together with a brief synopsis of the findings resulting therefrom; or~~

~~(b) Three (3) letters of recommendation attesting to the trustworthiness, reliability, and good reputation of the person written on his or her behalf by persons not related to him or her by blood or marriage and one (1) of whom shall be a licensed resident insurance agent, which letters shall also state the extent of familiarity, both as to length of time and degree of knowledge, possessed by the writer with regard to both personal and business conduct of the person~~];

(5) Is competent to exercise the license and has:

(a) Successfully attained a general educational level equivalent to that required for graduation from an accredited high school in this state;

(b) Except for limited lines licenses, completed a forty (40) hour prelicensing classroom course of study for the lines of authority for which the individual has applied. The commissioner shall promulgate administrative regulations to carry out the purpose of this section;

(c) Except for limited line licenses, successfully passed the examinations required by the commissioner for the lines of authority for which the individual has applied; and

(d) Paid the fees set forth in KRS 304.4-010; ***and***

(6) Is financially responsible to exercise the license and has:

(a) 1. Filed with the commissioner the certificate of an insurer authorized to write legal liability insurance in this state, that the insurer has and will keep in effect on behalf of the person a policy of insurance covering the legal liability of the licensed person as the result of erroneous acts or failure to act in his or her capacity as an insurance agent, and enuring to the benefit of any aggrieved party as the result of any single occurrence in the sum of not less than ***one hundred thousand dollars ($100,000)***[~~ten thousand dollars ($10,000)~~] and ***three hundred thousand dollars ($300,000)***[~~fifty thousand dollars ($50,000)~~] in the aggregate for all occurrences within one (1) year, and that the policy shall not be terminated unless at least thirty (30) days' prior written notice will have been given to the commissioner; or

2. Deposited with the commissioner cash, or a cash surety bond executed by an insurer authorized to write business in this Commonwealth, in the sum of ***one hundred thousand dollars ($100,000)***[~~ten thousand dollars ($10,000)~~], which shall be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his or her capacity as an agent; or

3. Had filed with the commissioner on his or her behalf, by an authorized insurer or group of affiliated insurers for which he or she is or is to become an exclusive agent, an agreement whereby the insurer or group of affiliated insurers agrees to assume responsibility, to the benefit of any aggrieved party, for legal liability of the licensed person as the result of erroneous acts or failure to act in his or her capacity as an insurance agent on behalf of the insurer or group of affiliated insurers in the sum of ***one hundred thousand dollars ($100,000)***[~~ten thousand dollars ($10,000)~~] for any single occurrence and that the agreement shall not be terminated until the license is surrendered to the commissioner or at least thirty (30) days' prior

written notice will have been given to the commissioner, whichever shall first occur; and

(b) Agreed with the commissioner that if at any time notice is given to the commissioner that any policy filed in accordance with paragraph (a)1. of this subsection, or agreement filed in accordance with paragraph (a)3. of this subsection, is to be terminated and has not been replaced by another policy or agreement within the time established by regulations of the commissioner, or if any deposit in accordance with paragraph (a)2. of this subsection be reduced through levy of execution and not replaced by any necessary additional deposit within the time established by regulations of the commissioner, any and all licenses held by the licensee are revoked and shall be promptly surrendered to the commissioner without demand[~~; and~~

~~(7) To whom an agent's license has been or is to be issued, is the duly appointed agent of an authorized insurer, subject to issuance of the license~~].

The commissioner may require additional information or submissions ***from applicants***[~~for resident applications~~] and may obtain any documents or information reasonably necessary to verify the information contained in an application.

Section 16. KRS 304.9-130 is amended to read as follows:

(1) A business entity acting as an agent is required to obtain an agent license. Application shall be made using the uniform business entity application or other application prescribed by the commissioner. Before approving the application ***of a business entity as a resident or as a nonresident which is not eligible to be issued a license in accordance with Section 18 of this Act***, the commissioner shall find that:

(a) The business entity has paid the fees set forth in KRS 304.4-010;

(b) Each officer, director, and member of the business entity who is acting as an agent has obtained an agent's license;

(c) The business entity has disclosed to the insurance department the identity of all officers and directors and whether or not they are licensed as agents; and

(d) The business entity has designated a licensed agent responsible for the business entity's compliance with the insurance laws and regulations of this state.

(2) ***Within thirty (30) days of the change,*** the licensee shall[~~ promptly~~] notify the commissioner of all changes among its members, directors, officers, and other individuals designated in or registered as to the license.

(3) Each agent authorized to act for the business entity shall be ***designated***[~~named in or registered~~] with the commissioner as to the license ***in accordance with Section 24 of this Act***[~~and shall qualify as though an individual licensee~~].

(4) The commissioner may ***require additional information or submissions from applicants and may*** obtain any documents or information reasonably necessary to verify the information contained in an application.

Section 17. KRS 304.9-135 is amended to read as follows:

(1) As used in this section:

(a) "Financial institution" means a bank or bank holding company as defined in the Bank Holding Company Act of 1956, as amended, 12 U.S.C. sec. 1841, a savings bank, savings and loan association, trust company, or any depository institution as defined by the Federal Deposit Insurance Act in 12 U.S.C. sec. 1813(c)(1), and any other individual, corporation, partnership, or association authorized to take deposits and make loans in the Commonwealth, and any affiliate or subsidiary of any of the above;

(b) "Insurance agency activities" means any activity relating to insurance[~~ other than credit life insurance, credit health insurance, forced placed or voluntary credit property, credit involuntary unemployment insurance, or insurance of the interest of a real property mortgagee in mortgaged property,~~] other than title insurance, for which a license as agent, ***reinsurance intermediary broker or manager, specialty credit producer or managing employee, surplus lines***[~~solicitor,~~] broker, or consultant is required under this chapter; and

(c) "Insurance information" means any information ***concerning premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and claims maintained in the records of the financial institution or affiliate***[~~provided by a consumer in order to obtain insurance~~].

(2) A financial institution authorized by law to engage in insurance agency activities in this state shall, in addition to any other applicable requirements, comply with the following requirements:

(a) The financial institution or officer, agent, representative, or employee thereof shall qualify for licensure under all applicable provisions of this chapter and abide by all applicable provisions of this chapter and applicable administrative regulations;

(b) A financial institution shall provide a written statement ***to a***[~~, signed or initialed by the~~] consumer ***regarding the consumer's free choice of agent and insurer according to Section 46 of this Act, during the pendency of the consumer's application for a loan or other extension of credit from the financial institution when insurance is offered to the consumer, sold to the consumer, or required in connection with the loan or extension of credit by the financial institution or affiliate***[~~, to evidence compliance with KRS 304.12-150~~];

(c) ***A financial institution shall not release a consumer's insurance information to any person or entity for the solicitation or selling of insurance, other than an officer, director, employee, agent, or affiliate of a financial***

institution, without prior disclosure to the consumer and the opportunity for the consumer to prevent the disclosure;~~[If the consumer voluntarily discloses or authorizes, in a written statement that is signed or initialed by the consumer, the disclosure of insurance information about the consumer to any person, the statement shall be an acknowledgment that the disclosure is not to the detriment of the consumer; and]~~

(d) ***A financial institution shall not release or use health information obtained from the insurance records of a consumer for any purpose, other than activities of a licensed agent, administrator, reinsurance intermediary broker or manager, specialty credit producer or managing employee, surplus lines broker, or consultant, without the written consent of the consumer;***

(e) A financial institution licensed by the department to engage in insurance agency activities shall:

1. Not violate the anti-tying provisions of the Bank Holding Company Act, 12 U.S.C. secs. 1971 et seq., in effect as of December 31, 1997; and

2. Notify the department in writing within ten (10) days of any final judgment or any final administrative action, by a federal agency authorized to enforce the anti-tying provision, that finds that the financial institution or any of its employees committed a violation of the Bank Holding Company Act. Any such final and unappealable judgment or final and unappealable administrative action shall be deemed a violation of this chapter;

(f)~~[(e)]~~ Prior to the sale of any policy of insurance to a consumer, a financial institution shall***, when practicable,*** provide to the consumer a written statement~~[, signed or initialed by the consumer,]~~ that:

1. The insurance offered by the financial institution is not a deposit;

2. The insurance offered by the financial institution is not insured by the Federal Deposit Insurance Corporation or other government agency that insures deposits;

3. The insurance offered by the financial institution is not guaranteed by the financial institution ***or any affiliate***;

4. The insurance ***may involve investment risk, including potential loss of principal***~~[is optional or, if required, may be purchased from any insurance agent or insurer selected by the consumer if that agent or insurer provides the same or equivalent coverage; and~~

~~5. By not purchasing the insurance if it is optional, or by purchasing the insurance from another insurance agent or insurer if the insurance is required, will not in any way affect current or future credit decisions]~~; and

(g)~~[(f)]~~ The commissioner shall promulgate administrative regulations in accordance with KRS Chapter 13A that specify the disclosure forms required by subsections (b), (c), and ***(f)***~~[(e)]~~ of this section.

(3) An officer or employee of a financial institution shall not directly or indirectly delay or impede the completion of a loan transaction or any other transaction with a financial institution for the purpose of influencing a consumer's selection or purchase of any insurance.

(4) ***A financial institution shall not use any advertisement or promotional material causing a reasonable person to mistakenly believe that:***

(a) The federal government or any state guarantees the insurance sales activities of financial institutions or guarantees the credit of the financial institution;

(b) Any state or federal government guarantees any return on insurance products or is a source of payment on any insurance product sold by the financial institution~~[An employee of a financial institution may receive compensation for the referral of a consumer, who seeks information about or wishes to purchase any insurance product, to a licensed person or for the provision of the telephone number of a licensed person who sells or provides information on the product only if:~~

~~(a) The employee receives the referral fee regardless of whether insurance coverage is sold;~~

~~(b) The referral compensation is a fixed amount;~~

~~(c) The referral compensation is a portion of a financial institution's program offering referral fees for other noninsurance products or services marketed by the financial institution; and~~

~~(d) The referral compensation is paid by the financial institution]~~.

(5) ***A financial institution shall use separate documentation for all credit and insurance transactions when a consumer obtains insurance and credit, other than credit insurance, from a financial institution or any individual or business entity soliciting or selling insurance on the premises of a financial institution.***

(6) A financial institution shall not include an expense of insurance premiums in a credit transaction when a consumer obtains insurance and credit, other than credit insurance, from a financial institution or any individual or business entity soliciting or selling insurance on the premises of a financial institution, without the written consent of the consumer.

(7) A financial institution shall maintain separate and distinct books and records relating to insurance transactions

conducted through the financial institution, including files relating to consumer complaints. The books, records, and files shall be made available to the commissioner for inspection in accordance with Section 2 of this Act[~~All financial institutions not insured by the Federal Deposit Insurance Corporation or other government agency that insures deposits are not required to comply with subsection (2)(e) of this section~~].

Section 18. KRS 304.9-140 is amended to read as follows:

(1) Unless denied a license in accordance with ***Section 36 of this Act***[~~this subtitle~~], a nonresident individual or business entity shall receive ***the applicable insurance producer***[~~an agent~~] license if:

(a) The applicant is currently licensed ***as a resident*** and in good standing in his or her home state;

(b) The applicant has submitted the proper request for license and has paid the fees required by KRS 304.4-010 and administrative regulations;

(c) The applicant has submitted or transmitted to the commissioner the application for a license that the applicant submitted to his or her home state or a completed uniform ***individual*** application or uniform business entity application; ***and***

(d)[~~The applicant has complied with his or her home state's continuing education requirements;~~

~~(e)~~] The applicant's home state awards nonresident licenses to residents of this state on the same basis[~~; and~~

~~(f) The applicant has complied with any other applicable legal requirements~~].

(2) The commissioner may verify the applicant's license status through the database maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries.

(3) A nonresident licensee who changes his or her home state to a state other than Kentucky shall file a change of address and provide certification from the new home state within thirty (30) days of the change of home state. No fee or license application is required.

(4) Notwithstanding any other provisions of this chapter, on or after July 1, 2002, an individual licensed as a surplus lines broker in his or her home state shall receive a nonresident surplus lines broker license by meeting the requirements of subsection (1) of this section. Except as to subsection (1) of this section, nothing in this section otherwise amends or supersedes any provision of Subtitle 10 of this chapter.

(5) Notwithstanding any other provision of this subtitle, an individual licensed as a limited lines agent in his or her home state shall receive a nonresident limited lines agent license in accordance with subsection (1) of this section, granting the same scope of authority as granted under the license issued by the agent's home state.

(6) The commissioner shall waive any requirements for a nonresident license applicant with a valid license from his or her home state, except the requirements imposed by subsection (1) of this section, if the applicant's home state awards nonresident licenses to residents of Kentucky on the same basis.

(7) As a condition to or in connection with the continuation of an insurance producer license issued under this section, the licensee must maintain the applicable license in his or her home state. The insurance producer license issued under this section shall terminate and be surrendered to the commissioner if and when the licensee's applicable home state license terminates for any reason.

Section 19. KRS 304.9-150 is amended to read as follows:

(1) Application for a ***license issued under this subtitle, surplus lines broker license, viatical settlement broker license, or viatical settlement provider***[~~consultant~~] license shall be made by the applicant. Applications under this subsection shall be ***certified as true under penalty of perjury***[~~signed and sworn to~~] by the applicant[~~ before a notary public or other person authorized by law to take acknowledgments of deeds~~].

(2) The form of application shall require full answers to any questions as may be reasonably necessary to determine the applicant's identity, residence, personal history, business record, financial responsibility, experience in insurance, purpose for which the license is to be used, and other facts as required by the commissioner to determine whether the applicant meets the applicable qualifications for the license applied for.

(3) The application shall state the kinds of insurance ***and any applicable lines of authority*** proposed to be transacted.

(4) The application shall also show whether the applicant was ever ***convicted of or is currently charged with committing a crime; whether the applicant was ever involved in an administrative proceeding regarding any professional or occupational license; whether the applicant has a history of not being financially responsible; whether the applicant has any delinquent tax obligation that is not the subject of a repayment agreement; whether the applicant is currently charged with or has ever been found liable of fraud, misappropriation, conversion of funds, misrepresentation, or breach of fiduciary duty; whether the applicant has child support obligations in arrearage or is subject to a child support related subpoena or warrant***[~~previously licensed to transact any kind of insurance in this state or elsewhere; whether any license was ever refused, suspended, revoked, or renewal or continuance denied; whether any insurer, general agent, agent, claims applicant is indebted to it, and if so, the details thereof~~]; and whether ***the*** applicant has ever had ***a business relationship with an insurer terminated for any alleged misconduct***[~~an agency contract canceled~~], and the facts thereof.

(5) ***The commissioner may require additional information or submissions from applicants and may obtain any documents or information reasonably necessary to verify the information contained in an application.***

(6) All applications shall be accompanied by the applicable license fee and examination fee, in the respective amounts stated in KRS 304.4-010.

(7)[~~(6)~~] No applicant for ***any*** license[~~ under this subtitle~~] shall willfully misrepresent or withhold any fact or information called for in the application form or in connection therewith.

Section 20. KRS 304.9-170 is amended to read as follows:

No prelicensing education or[~~KRS 304.9-160 shall not apply and no~~] examination shall be required of:

(1) ***(a) An individual licensee who allows his or her license to lapse if the license renewal fee is paid within twelve (12) months from the due date of the license renewal fee. However, a penalty in the amount of double the unpaid renewal fee shall be imposed. The department shall issue a license with the same lines of authority as the lapsed license.***

(b) Any applicant for license covering any line of authority to which the applicant was licensed under a similar license in Kentucky, other than a temporary license, within the ***twelve (12)***[~~twenty-four (24)~~] months next preceding date of application***. The applicant is not eligible for this exemption if***[~~, unless~~] the previous license was revoked or suspended by the commissioner for reasons other than failure to maintain financial responsibility or ***to meet***[~~meeting~~] continuing education requirements as required by KRS 304.9-105 and 304.9-295.

(2) An individual who applies for an ***insurance producer***[~~agent~~] license in Kentucky who was previously licensed for the same lines of authority in another state shall not be required to complete any prelicensing education or examination. This exemption is only available if the applicant is currently licensed in the other state or if the application is received within ninety (90) days of the cancellation of the applicant's previous license and if the prior state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's database records, maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries, indicate that the ***insurance producer***[~~agent~~] is or was licensed in good standing for the line of authority requested.

(3) An individual licensed as an ***insurance producer***[~~agent~~] in another state within the last twelve (12) months who moves to Kentucky shall make application within ninety (90) days of establishing legal residence to become a resident licensee ***in accordance with Section 15 of this Act***. No prelicensing education or examination shall be required of that applicant to obtain a license for any line of authority previously held in the prior home state except where the commissioner determines otherwise by administrative regulation.

(4) An applicant for an ***insurance producer's***[~~agent's~~] license who is currently licensed ***in Kentucky*** as[~~ a solicitor or as~~] a consultant as to the same line of authority, or has been so licensed within twelve (12) months next preceding the date of application for the license, unless the previous license was revoked or suspended or continuation thereof refused by the commissioner for reasons other than failure to maintain financial responsibility as required by KRS 304.9-330.

(5) Any applicant for license covering the same line of authority as to which that applicant shall have held a valid license issued in accordance with this subtitle or other applicable Kentucky law which was surrendered, in accordance with KRS 304.2-080 or other applicable law, in order to accept employment with the Department of Insurance, provided, however, that the applicant shall apply for relicensing within ***twelve (12) months***[~~one (1) year~~] of the date of termination of his or her employment with the Department of Insurance.

Section 21. KRS 304.9-200 is amended to read as follows:

(1)[~~ An agent license shall remain in effect unless terminated, canceled, expired, revoked, or suspended as long as the fees set forth in KRS 304.4-010 and all administrative regulations promulgated thereunder are paid and any applicable continuing education requirements for individual agents are met by the due date.~~

~~(2) An individual agent who allows his or her license to lapse may, within twelve (12) months from the due date of the renewal fee, reinstate the same license without the necessity of passing a written examination. However, a penalty may be imposed as provided in KRS 304.99-020.~~

~~(3) A licensed agent who is unable to comply with license renewal procedures due to military service, a long-term medical disability, or some other extenuating circumstance may request a waiver of those procedures. The agent may also request a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.~~

~~(4)~~] The license ***issued under this subtitle or to a surplus lines broker, viatical settlement broker, or viatical settlement provider*** shall contain the licensee's name, ***city and state of principal place of business*** address, personal identification number, and the date of issuance, the lines of authority, and any other information the commissioner deems necessary.

(2)[~~(5)~~] ***The licensee***[~~Licensees~~] shall inform the commissioner in writing in a format acceptable to the commissioner of a change of address or change of ***legal*** name within thirty (30) days of the change.

(3)[~~(6)~~] After completion of application for a license, ***completion of any prelicensing education required under this chapter, payment of applicable fees,*** and the taking and passing of any examination required under this ***chapter***[~~subtitle~~], the commissioner shall promptly consider the ***application***[~~same~~]. If the commissioner finds that the applicant has fully met the requirements for licensure, the commissioner shall promptly issue the license to the applicant; otherwise, the commissioner shall refuse to issue the license and promptly notify the applicant[~~ and the appointing insurer or agent~~] of the refusal, stating the grounds thereof.

(4)[~~(7)~~] If a license is refused, the commissioner shall promptly refund *any*[~~the~~] appointment fee tendered with the license application. All other fees for application for *license or examination*[~~agent, consultant, or adjuster licenses~~] shall be deemed earned when paid and shall not be refundable.

(5) In order to assist in the performance of the commissioner's duties, the commissioner may contract with nongovernmental entities, including the National Association of Insurance Commissioners or its affiliate or subsidiary to perform ministerial functions, including the collection of fees or data related to licensing.

Section 22. KRS 304.9-210 is amended to read as follows:

(1) The license of an agent shall not specify the name of any particular insurer by which the licensee is appointed as agent and the licensee may represent as an agent under the one (1) license as many insurers as may appoint the agent in accordance with this subtitle.

(2) The license of a consultant shall show whether the license is for a "*property and casualty*[~~general lines~~] consultant" or a "life *and health* consultant."

Section 23. KRS 304.9-230 is amended to read as follows:

(1) The commissioner may issue, in accordance with KRS 304.9-080, an agent's license with the line of authority limited as follows:

(a) To *surety*[~~motor vehicle physical damage~~] insurance only;

(b) To *travel*[~~common carrier~~] insurance, incidental to the transportation of persons or to the storage or transportation of property only, and solicited or sold by persons representing common carriers in the course of that representation;

(c) To limited line credit insurance only;

(d) To crop-hail insurance only; *and*

(e)[~~ To mechanical breakdown insurance only; and~~

~~(f)~~] To other limited line insurance only, as specified by the commissioner through the promulgation of administrative regulations.

(2) The commissioner shall promulgate administrative regulations to establish the requirements for prelicensing courses of instruction and examination for each limited lines license.

(3) On and after the effective date of this Act, the commissioner shall not issue an agent license with a limited line of authority for motor vehicle physical damage or for mechanical breakdown insurance. However, an agent license with a limited line of authority for motor vehicle physical damage or for mechanical breakdown insurance in effect on the effective date of this Act, shall continue in effect until surrendered or otherwise terminated in accordance with this subtitle.

SECTION 24. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) A business entity issued a license in accordance with this subtitle, ~~or~~ *issued a viatical settlement broker or viatical settlement provider license shall designate only individuals to act under the business entity license.*

(2) Each designated individual shall:

(a) Hold the same kind of license as the business entity; and

(b) If the business entity license has lines of authority, have one (1) or more of the same lines of authority.

(3) The licensed business entity shall file with the commissioner:

(a) Notice of the designation of an individual within thirty (30) days of the designation; and

(b) Notice of termination of designation of an individual within thirty (30) days of the termination of designation.

(4) (a) On or before January 31 of each year, each licensed business entity shall file with the commissioner an annual report of all designated individuals whose designations were not terminated on or prior to December 31 of the preceding calendar year.

(b) The report shall include each individual licensee's name, identification number, and lines of authority the individual is designated to exercise on behalf of the business entity.

(5) The notice and report shall be on a form or in a format prescribed by the commissioner.

(6) A licensed business entity shall exercise the license only through a designated individual licensee and shall have at least one (1) licensed individual designated with the commissioner at all times. If the business entity fails to have at least one (1) licensed individual designated with the commissioner, the business entity license shall be deemed revoked and shall be promptly surrendered to the commissioner without demand.

(7) An insurer that has appointed the business entity licensee shall be responsible for the acts of each designated individual performed under the business entity's license as if the insurer had appointed the individual licensee.

Section 25. KRS 304.9-260 is amended to read as follows:

(1) Each~~[consultant, adjuster, and surplus lines broker]~~ license issued under this ***subtitle, surplus lines broker license, viatical settlement broker license, and viatical settlement provider license***~~[code]~~ shall continue in force until expired, suspended, revoked, or otherwise terminated, but subject to payment ***biennially*** to the commissioner at his or her office in Frankfort on or before ***the due date***~~[March 31]~~ of the applicable ***renewal***~~[continuation]~~ fee***, if any,*** for ***the***~~[any appointment, or]~~ license~~[in the case of a limited license, not terminated on or prior to December 31 of the preceding calendar year]~~ as stated in KRS 304.4-010, accompanied by ***a***~~[written]~~ request for ***renewal***~~[continuation]~~. ***An individual resident agent shall confirm that the licensee is in compliance with the applicable financial responsibility requirements of Section 15 of this Act. Beginning January 1, 2003***, request for ***renewal***~~[continuation]~~ shall be ***on a form or in a format prescribed by the commissioner and*** made as follows:

(a) ***At least thirty (30) days before the renewal request and fees are due from the licensee, the department shall distribute to each respective licensee a list of his or her licenses to be renewed during that calendar year. With the licensee's written consent, an insurer or the licensee's employer may request that the department send the renewal list to the insurer or to the employer. The department may distribute the renewal list to the requesting insurer or employer instead of to the licensee;***

(b) An individual licensee whose birth date is in an even-numbered year shall submit the renewal request, any required confirmation of financial responsibility, and fees to the commissioner by the last day of the licensee's birth month in the next even-numbered year after the date the license is issued, and each subsequent even-numbered year thereafter;

(c) An individual licensee whose birth date is in an odd-numbered year shall submit the renewal request, any required confirmation of financial responsibility, and fees to the commissioner by the last day of the licensee's birth month in the next odd-numbered year after the date the license is issued, and each subsequent odd-numbered year thereafter;

(d) A business entity that is issued a license in an even-numbered year shall submit the renewal request and fees to the commissioner by March 31 of the next even-numbered year, and each subsequent even-numbered year thereafter; and

(e) A business entity that is issued a license in an odd-numbered year shall submit the renewal request and fees to the commissioner by March 31 of the next odd-numbered year, and each subsequent odd-numbered year thereafter~~[As to adjuster and surplus lines broker licenses, request made and signed by the licensee.~~

~~(b) As to limited licenses issued under KRS 304.9-230, request made and signed by the insurer so represented]~~.

(2) ~~[Biennially, before January 31, the department shall distribute to each respective licensee, employer, and insurer a listing of the names and addresses of that person's licensees referred to in subsection (1) whose appointments were in effect during the preceding calendar year and who were not terminated on or prior to December 31 of that calendar year. Any appointment or license not expressly terminated shall continue in effect as to the kinds of insurance or classifications for which the respective licensees are currently appointed and subject to payment of the fees specified under KRS 304.4-010. On or before March 31, each licensee, employer, or insurer shall submit the continuation of appointment fee, as specified in KRS 304.4-010, for each appointment or license not terminated on or prior to December 31 of the preceding calendar year.]~~Any license referred to in subsection (1) of this section ***for***~~[as to]~~ which ***the*** request for ***renewal, any required confirmation of financial responsibility,***~~[continuation]~~ and fee are not~~[so]~~ received by the commissioner shall be deemed to have expired at midnight on ***the last day of the birth month for individuals and on*** March 31 ***for business entities***; except that any request and fees received by the commissioner ***within ninety (90) days after the expiration date***~~[after March 31 and prior to the next following June 30]~~ may be accepted and ***the license may be reissued effective the date of receipt***~~[effectuated]~~ by the commissioner, in his or her discretion, if accompanied by a penalty as provided in Subtitle 99 of this chapter.

(3) ***A licensee who is unable to comply with license renewal procedures due to military service, long-term medical disability, or some other extenuating circumstance may make a written request for a waiver of those procedures. The licensee may also make a written request for a waiver of any examination requirement, fine, or other sanction imposed for failure to comply with these renewal procedures***~~[The license of an agent shall continue in force as long as there is in effect as to the licensee, as shown by the commissioner's records, an appointment or appointments as agent of authorized insurers covering collectively all of the lines of authority included in the agent's license. Upon termination of all of the licensee's appointments as to a particular line of authority and failure to replace an appointment within sixty (60) days thereafter, the license shall expire and terminate as to the line of authority and the licensee shall promptly deliver his or her license to the commissioner for reissuance, without fee or charge, as to the line of authority, if any, covered by the licensee's remaining agency appointments. Upon termination of all of the licensee's appointments and failure to obtain a new appointment within sixty (60) days, the license shall terminate and be surrendered to the commissioner]~~.

(4) As a condition to or in connection with the continuation of any ***insurance producer***~~[agent or consultant]~~ license, the commissioner may require the licensee to file with him or her information relative to use made of the license during the next preceding calendar year and especially as to whether the license has been used principally for the writing of controlled business, as defined in KRS 304.9-100.

(5) As a condition to or in connection with the continuation of any~~[agent]~~ license, the commissioner shall require continuous demonstration of ***any*** financial responsibility ***required for issuance of the license***~~[as required by KRS 304.9-105(6)]~~, and any license shall terminate and be surrendered to the commissioner~~[, as provided therein,]~~ if and when the demonstration becomes impaired~~[whether or not valid appointments under the license are then existent]~~.

(6) Except as to the provisions of subsection (5) hereof, This section does not apply to temporary licenses issued under KRS 304.9-300.

Section 26. KRS 304.9-270 is amended to read as follows:

(1) Each insurer appointing an agent***, including rental vehicle agent, rental vehicle managing employee, specialty credit producer, and specialty credit managing employee,*** in this state shall obtain approval of the appointment from the commissioner by filing with the commissioner the notice of appointment~~[in writing]~~, specifying the ***lines of authority***~~[kinds of insurance or classifications]~~ thereof to be transacted by the agent for the insurer, and submit~~[the license fee with the license application and]~~ the appointment fee~~[with every appointment, or license fee in the case of limited licenses]~~, as specified in KRS 304.4-010.

(2) No agent shall claim to be an agent or representative of, or in any way imply a contractual relationship with, a particular insurer, or place applications for insurance with an insurer unless the agent becomes an appointed agent of the insurer and the agent's appointment has been approved by the commissioner.

(3) An agent may act as a representative of and place insurance with an insurer without first obtaining approval of the appointment by the commissioner for a period of thirty (30) days from the date the first insurance application is executed by the agent subject to the following criteria:

(a) The agent has filed with the commissioner, and thereafter kept in force, evidence of financial responsibility in the sum of not less than one million dollars ($1,000,000) per occurrence, and the sum of two million dollars ($2,000,000) in the aggregate, for all occurrences within one (1) year, either in the form of an errors and omissions insurance policy issued by an authorized insurer, a bond issued by an authorized corporate surety, a deposit, or any combination of these evidences of financial responsibility. Such a policy, bond, deposit, or combination shall not be terminated unless at least thirty (30) days' prior written notice is given to the licensee and the commissioner***; and***~~[.]~~

(b) If the agent does not receive from the insurer acknowledgment that the agent's appointment has been approved by the commissioner within thirty (30) days from the date the first insurance application is executed, the agent shall immediately discontinue acting as an agent on behalf of the insurer until acknowledgment is received.

(4) (a) The insurer shall, no later than forty-five (45) days from the date the agency contract is executed or the first insurance application is submitted by an agent, whichever is earlier, file with the commissioner a written notice of appointment on a form prescribed by the commissioner.

(b) If there is no executed agency contract, the insurer shall also mail to the agent, within the same forty-five (45) day period specified in paragraph (a) of this subsection, a copy of the notice of appointment form filed with the commissioner.

(5) Within fifteen (15) days of receipt of the notice of appointment, the commissioner shall determine and notify the insurer whether the agent is eligible for appointment. If the agent's license is in good standing and no other grounds exist to deny the appointment, the commissioner shall approve the appointment.

(6) Subject to ***renewal***~~[continuation]~~ by the insurer as provided in subsection ***(7)***~~[(4)]~~ of this section, each appointment shall remain in effect until the ***earliest of the following:***

(a) The commissioner revokes or otherwise terminates the insurance producer's license;

(b) The commissioner suspends, revokes, or otherwise terminates the appointment; or

(c) ~~[agent's license is revoked or otherwise terminated, unless]~~The insurer~~[earlier]~~ terminates the appointment as provided in KRS 304.9-280.

(7) Biennially, before January 31, the department shall distribute to each insurer a listing of the names and ***individual identification numbers***~~[addresses]~~ of that insurer's agents whose ***appointments***~~[appointment, or licenses in the case of limited licenses,]~~ were in effect during the preceding calendar year and who were not terminated on or prior to December 31 of that calendar year. Any appointment~~[or license]~~ not expressly terminated shall remain in effect as to the ***lines of authority***~~[kinds of insurance or classifications]~~ thereof for which the respective agents are currently appointed, and subject to the fees specified under KRS 304.4-010. On or before March 31, each insurer shall submit the ***renewal***~~[continuation]~~ of appointment fee~~[, or license fee in the case of limited licenses,]~~ as specified in KRS 304.4-010, for each appointment not terminated on or prior to December 31 of the preceding calendar year.~~[Any appointment or license not expressly terminated shall continue, unless otherwise terminated, canceled, suspended, or revoked by the Department of Insurance.]~~

(8) Any appointment as to which the request for renewal and fees are not received by the commissioner by March 31 shall be deemed to have expired at midnight on March 31. Any appointment renewal request and fees received by the commissioner after March 31 and prior to the next following June 30 may be accepted by the commissioner, in his or her discretion, and the expired appointment may be reinstated as of March 31 if the late request and fees are

accompanied by a penalty as provided in Section 54 of this Act.

Section 27. KRS 304.9-295 is amended to read as follows:

(1) This section shall apply to individuals ***who hold licenses or lines of authority requiring continuing education***[~~licensed as agents~~].

(2) This section shall not apply to:

(a) [~~Licensees holding~~]Limited lines of authority ***under agent*** licenses, as exempted by the commissioner in accordance with KRS 304.9-230;

(b) Licensees not licensed for one (1) full year prior to the end of ***the applicable***[~~a~~] continuing education biennium[~~ as described in subsection (3) of this section~~];

(c) Licensees holding nonresident licenses who have met the continuing education requirements of their home state and whose home state gives credit to Kentucky resident ***licensees***[~~agents~~] on the same basis; or

(d) Licensees maintaining their licenses for the sole purpose of receiving renewals or deferred commissions and providing the department with a supporting affidavit.

(3) ***A licensee, who holds an agent license and who is***[~~The licensees specified in subsection (1) of this section and~~] not exempt under subsection (2) of this section[~~ who hold a license~~], shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education courses, of which twelve (12) shall be classroom hours, during each continuing education biennium. A continuing education biennium shall begin on July 1 and end on June 30 two (2) years later.

(4) Only continuing education courses approved by the commissioner shall be used to satisfy the continuing education requirement of subsection (3) of this section ***and any other continuing education requirement of this chapter***.

(a) The continuing education courses which meet the commissioner's standards for continuing education requirements are:

1. Any part of the Life Underwriter Training Council life course curriculum;
2. Any part of the Life Underwriter Training Council health course curriculum;
3. Any part of the American College Chartered Life Underwriter diploma curriculum;
4. Any part of the American Institute for Property and Liability Underwriters' chartered property and casualty underwriter profession designation program;
5. Any part of the Insurance Institute of America's programs;
6. Any part of the certified insurance counselor program;
7. Any insurance related course taught at an accredited college or university, if the course is approved by the commissioner;
8. Any course of instruction or seminar developed or sponsored by any authorized insurer, recognized agent association, recognized insurance trade association, or any independent program of instruction, if approved by the commissioner;
9. Any correspondence course approved by the commissioner; and
10. Any course in accordance with provisions of reciprocal agreements the commissioner enters with other states.

(b) The commissioner shall prescribe the number of hours of continuing education credit for each continuing education course approved in accordance with this subsection. Continuing education courses submitted in accordance with a reciprocal agreement shall be approved according to the provisions of the reciprocal agreement.

(c) If a continuing education course requires successful completion of a written examination, no continuing education credit shall be given to licensees who do not successfully complete the written examination.

(d) The fee for filing continuing education courses for approval by the commissioner shall be as specified in Subtitle 4 of KRS Chapter 304.

(e) For continuing education courses of reciprocal states, continuing education providers shall be approved in accordance with the provisions of the reciprocal agreements.

(5) An individual teaching any approved continuing education course shall qualify for the same number of hours of continuing education credit as would be granted to a licensee taking and satisfactorily completing the course.

(6) Excess credit hours accumulated during any continuing education biennium may be carried forward. The commissioner may, by regulation, limit the number of hours carried forward.

(7) For good cause shown, the commissioner may grant an extension of time during which the continuing education requirement of subsection (3) of this section may be completed, but the extension of time shall not exceed two (2) years. What constitutes good cause for the extension of time rests within the discretion of the commissioner.

(8) Every licensee subject to this section shall furnish to the commissioner written certification as to the continuing education courses satisfactorily completed by the licensee. The certification shall be signed by or on behalf of the organization

sponsoring the continuing education course. The certification shall be on a form prescribed by the commissioner.

(9) The license ***or line of authority requiring continuing education shall terminate if the individual holding the license or line of authority fails***[~~of any individual failing~~] to comply with the continuing education requirement[~~ of subsection (3) of this section~~] and[~~ who~~] has not been granted an extension of time to comply in accordance with subsection (7) of this section***. If the license has terminated, the license***[~~shall terminate and~~] shall be promptly surrendered to the commissioner without demand. ***If the line of authority has terminated but another line of authority not requiring continuing education is still in effect, the license shall be promptly delivered to the commissioner for reissuance as to the line of authority still in effect.***

(10) The license of any individual subject to the continuing education requirement shall be suspended or revoked, a civil penalty imposed, or both, in accordance with KRS 304.9-440 if the individual submits to the commissioner a false or fraudulent certificate of compliance with the continuing education requirement.

Section 28. KRS 304.9-330 is amended to read as follows:

(1) ***To the extent the Gramm-Leach-Bliley Act, 15 U.S.C. sec. 6751(f), provides that evidence of financial responsibility may be required for licensing,*** every applicant for license as a consultant shall file with the commissioner with his application for license, and shall maintain in effect while so licensed:

(a) The certificate of an insurer authorized to write legal liability insurance in this state, that ***the***[~~such~~] insurer has and will keep in effect on behalf of ***the consultant***[~~such a person~~] a policy of insurance covering the legal liability of ***the consultant***[~~such licensed person~~] as the result of erroneous acts or failure to act in his capacity as an insurance consultant, and inuring to the benefit of any aggrieved party as the result of any single[~~ such~~] occurrence in the sum of not less than ***one hundred thousand dollars ($100,000)***[~~ten thousand dollars ($10,000)~~] and ***three hundred thousand dollars ($300,000)***[~~fifty thousand dollars ($50,000)~~] in the aggregate for all[~~ such~~] occurrences within one (1) year, and that ***the***[~~such~~] policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner; or

(b) A deposit with the commissioner of cash, or a cash surety bond executed by an insurer authorized to write ***this***[~~such~~] business in this Commonwealth, in the sum of ***one hundred thousand dollars ($100,000)***[~~ten thousand dollars ($10,000)~~] which shall be subject to lawful levy of execution by any party to whom the ***consultant***[~~licensed person~~] has been found to be legally liable as the result of erroneous acts or failure to act in his capacity as a consultant.

(2) The bond shall indemnify any person damaged by any fraudulent or unlawful act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as ***the***[~~such~~] licensee.

(3) The bond shall remain in force until released by the commissioner, or until canceled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon thirty (30) days advance written notice to the licensee and the commissioner.

Section 29. KRS 304.9-370 is amended to read as follows:

(1) Application for and acceptance of a license ***issued under this subtitle or as a surplus lines broker***[~~as a consultant, agent, or adjuster~~] by a nonresident of Kentucky shall[~~ thereby~~] be deemed to constitute irrevocable appointment of the Secretary of State as the attorney of the licensee for the acceptance of service of process issued in this state in any action or proceeding against the licensee arising out of the licensing or out of transactions under the license.

(2) Service of process against any nonresident licensee may be made in any action by service upon the Secretary of State as provided in KRS 304.3-230.

Section 30. KRS 304.9-390 is amended to read as follows:

(1) Every ***individual and business entity issued a license with Kentucky as its home state***[~~agent referred to in subsection (1) of KRS 304.9-120~~] shall have and maintain in this state a place of business accessible to the public, and wherein the licensee principally conducts transactions under his or her license. ***This provision shall not be deemed to prohibit maintenance of this place of business in the office of an insurer, office of the employer, or in the residence of the licensee***[~~The address of the place shall appear upon the license. Nothing in this section shall prohibit maintenance of such a place in the licensee's residence in this state~~].

(2) The licenses of the licensee shall be conspicuously displayed in ***each of*** the ***places***[~~place~~] of business in a part customarily open to the public.

(3) The ***licensee***[~~agent~~] shall keep at his ***or her*** place of business complete records of transactions under ***the***[~~his~~] license.

(a) The records shall be kept available for inspection by the commissioner for a period of at least five (5) years after completion of the respective transactions.

(b) For an insurance producer, the record shall show, as to each insurance policy or contract placed by or through the licensee, the names of the insurer and insured, the number and expiration date of, and premium payable as to, the policy or contract, and any other information as the commissioner may reasonably require.[~~ The record shall be kept available for inspection by the commissioner, for a period of at least five (5) years after completion of the~~

~~respective transactions.~~]

Section 31. KRS 304.9-400 is amended to read as follows:

That portion of all premiums or moneys which an ***insurance producer***[~~agent~~] collects from an insured and which is to be paid to an insurer, its agents, its managing general agents or his or her principal because of the assumption of liability through the issuance of policies or contracts for insurance, shall be held by the ***insurance producer***[~~agent~~] in a fiduciary capacity and shall not be misappropriated or converted to his or her own use or illegally withheld by the ***insurance producer***[~~agent~~].

Section 32. KRS 304.9-410 is amended to read as follows:

(1) ***An agent with a line of authority for property, casualty, or limited line surety insurance***[~~A general lines agent~~] may:

(a) Occasionally place an insurance coverage with an insurer as to which he ***or she*** is not then appointed as an agent, and such insurer may accept such business only when placed through ***an appointed***[~~a licensed resident~~] agent[~~,~~] of the insurer. Both agents involved in ***this***[~~such an~~] exchange of business must be then licensed as to all of the kinds of insurance represented by the coverage; and

(b) Without limitation, place insurance coverage with an insurer as to which he is not then appointed as agent, and such insurer may accept such business only if placed through a licensed managing general agent.

(2) ***An agent with a line of authority for***[~~A~~] life or health insurance[~~ agent~~] may, occasionally, place with another insurer as to which he ***or she*** is not ***appointed***[~~licensed~~] as agent, a particular risk or portion thereof which has been rejected by the insurers as to which the agent is ***appointed***[~~licensed~~] or is known to the agent to be unacceptable to such insurers, and without then being ***appointed***[~~licensed~~] as to ***the***[~~such~~] other insurer.

(3) The commissioner shall, by regulation, establish the amount or volume of business that constitutes the occasional placement of business permitted by subsections (1) and (2) of this section. Such regulations may be based on a percentage or ratio of the agent's business or any other appropriate standard.

Section 33. KRS 304.9-425 is amended to read as follows:

(1) No insurer, financial institution, agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant shall pay, directly or indirectly, any commission, brokerage, or other valuable consideration to any individual or business entity for services as an agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant within this state, unless the individual or business entity held at the time the services were performed a valid license for that line of insurance as required by the laws of this state for the services***.***

(2) No[~~; nor shall any~~] individual or business entity, other than an individual or business entity duly licensed by this state as an agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant at the time the services were performed, ***shall*** accept any[~~ such~~] commission, brokerage, or other valuable consideration ***for those services***.

(3) [~~Provided, that~~]This section shall not prevent payment or receipt of renewal or other deferred commissions to or by any individual or business entity entitled under this section.

(4) Services as an agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant within this state shall not include a referral by an unlicensed person of a consumer to a licensed agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant that does not include a discussion of specific insurance policy terms and conditions.

(5) An insurer, financial institution, agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant may pay any compensation, fee, or other consideration to an individual not licensed to sell insurance for the referral of a consumer to a licensed individual, only if the consideration is paid regardless of whether the insurance coverage is sold to the consumer.

Section 34. KRS 304.9-430 is amended to read as follows:

(1) No individual or business entity shall in this state act as or hold himself or herself out to be an adjuster unless then licensed by the Kentucky Department of Insurance as an adjuster. Application for license shall be made to the commissioner according to forms as prescribed and furnished by him or her. The commissioner shall issue the license as to applicants qualified upon payment of the license application fee stated in KRS 304.4-010.

(2) To be licensed as an adjuster the applicant shall:

(a) Be an individual twenty-one (21) years or more of age***;***[~~.~~]

(b) Be a resident of Kentucky, or resident of another state which will permit residents of Kentucky to act as adjusters in the other state***;***~~[.]~~

(c) Be an employee of an insurer, a full-time salaried employee of a licensed adjuster or a graduate of a recognized law school, or have experience or special education or training as to the handling of loss claims under insurance contracts of sufficient duration and extent to make him or her reasonably competent to fulfill the responsibilities of an adjuster***;***~~[.]~~

(d) Be trustworthy and of good reputation***;***~~[.]~~

(e) Have and maintain an office accessible to the public, and keep therein the usual and customary records pertaining to transactions under the license. This provision shall not be deemed to prohibit maintenance of the office in the office of an insurer, of the employer, or in the home of the licensee***;***~~[.]~~

(f) Have successfully passed a written examination prescribed by the commissioner, except if the applicant has successfully passed a written examination in a state which permits residents of Kentucky to act as adjusters in the other state***; and***

(g) Be financially responsible to exercise the license.

(3) A business entity, whether or not organized under the laws of this state, may be licensed as an adjuster if each individual who is to exercise the license powers is ***designated with the commissioner as to the license in accordance with Section 24 of this Act***~~[named in the license or registered with the commissioner under the license, and is qualified as for an individual license as adjuster. An additional full license fee shall be paid as to each individual in excess of one (1), so named in the license or so registered to exercise its powers]~~.

(4) The commissioner may require additional information or submissions from applicants and may obtain any documents or information reasonably necessary to verify the information contained in an application.

(5) Notwithstanding the provisions of this section,~~[Except, that]~~ no adjuster's license or qualifications shall be required as to any adjuster who is sent into this state on behalf of an insurer for the purpose of investigating or making adjustment of a particular loss under an insurance policy, or for the adjustment of a series of losses resulting from a catastrophe common to all losses.

Section 35. KRS 304.9-432 is amended to read as follows:

(1) In the event that an applicant for an adjuster's license meets the qualification requirements of KRS 304.9-430 except that he or she has not had experience or special education or training as to the handling of loss claims under insurance contracts of sufficient duration and extent to make him or her reasonably confident to fulfill the responsibilities as an adjuster, he or she shall not be required to take and successfully complete the prescribed written examination and may be issued a temporary license as an apprentice adjuster for a period not to exceed ***twelve (12) months***~~[one hundred eighty (180) days]~~.

(2) A temporary license as an apprentice adjuster shall be subject to the following terms and conditions:

(a) An individual holding a temporary license as apprentice adjuster shall have all of the privileges and obligations of an adjuster licensed under the insurance code;

(b) An individual holding a temporary license as an apprentice adjuster shall at all times be a full-time salaried employee of an insurer or an adjuster and subject to training, direction, and control by a licensed adjuster acting in the same capacity as that for which the applicant applied;

(c) A temporary license as apprentice adjuster shall be subject to suspension, revocation, or conditions in accordance with KRS 304.9-440; and

(d) An individual may hold only one (1) temporary license as an apprentice adjuster.

Section 36. KRS 304.9-440 is amended to read as follows:

(1) The commissioner may place on probation, suspend, or may impose conditions upon the continuance of a license for not more than twelve (12) months, revoke, or refuse to issue or renew any license issued under this subtitle or any surplus lines broker***, viatical settlement broker, or viatical settlement provider*** license, or may levy a civil penalty in accordance with KRS 304.99-020, or any combination of actions for any one (1) or more of the following causes:

(a) Providing incorrect, misleading, incomplete, or materially untrue information in the license application***;***~~[.]~~

(b) Violating any insurance laws, or violating any administrative regulations, subpoena, or order of the commissioner or of another state's insurance commissioner***;***~~[.]~~

(c) Obtaining or attempting to obtain a license through misrepresentation or fraud***;***~~[.]~~

(d) Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance ***or viatical settlement*** business***;***~~[.]~~

(e) Intentionally misrepresenting the terms of an actual or proposed insurance contract***, viatical settlement contract,*** or application for insurance***;***~~[.]~~

(f) Having been convicted of any felony***;***~~[.]~~

(g) Having admitted or been found to have committed any unfair insurance trade practice or insurance fraud***;***~~[.]~~

(h) Using fraudulent, coercive, or dishonest practices; or demonstrating incompetence, untrustworthiness, or financial irresponsibility; or being a source of injury or loss to the public in the conduct of business in this state or elsewhere***;***[~~.~~]

(i) Having ***an***[~~any~~] insurance license, ***viatical settlement license,*** or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;

(j) Surrendering or otherwise terminating any[~~ other~~] license issued by this state or by any other jurisdiction, under threat of disciplinary action, denial, or refusal of the issuance of or renewal of any other license issued by this state or by any other jurisdiction; or revocation or suspension of any other license held by the licensee issued by this state or by any other jurisdiction;

(k) Forging another's name to an application for insurance***,***[~~ or~~] to any ***other*** document related to an insurance transaction***, or to any document related to a viatical settlement transaction***;

(l) Cheating, including improperly using notes or any other reference material to complete an examination for[~~ an insurance~~] license;

(m) Knowingly accepting insurance ***or viatical settlement*** business from an individual ***or business entity*** who is not licensed, but who is required to be licensed under this subtitle;

(n) Failing to comply with an administrative or court order imposing a child support obligation;

(o) Failing to pay state income tax or to comply with any administrative or court order directing payment of state income tax;

(p) Having been convicted of a misdemeanor for which restitution is ordered in excess of three hundred dollars ($300), or of any misdemeanor involving dishonesty, breach of trust, or moral turpitude; or

(q) Any other cause for which issuance of the license could have been refused, had it then existed and been known to the commissioner.

(2) The license of a business entity may be suspended, revoked, or refused for any cause relating to an individual designated in or registered under the license if the commissioner finds that an individual licensee's violation was known or should have been known by one (1) or more of the partners, officers, or managers acting on behalf of the ***business entity***[~~partnership or corporation~~] and the violation was not reported to the Department of Insurance nor corrective action taken. The applicant or licensee may make written demand upon the commissioner in accordance with KRS 304.2-310 for a hearing before the commissioner to determine the reasonableness of the commissioner's action.

(3) The commissioner shall retain the authority to enforce the provisions and penalties of this chapter against any individual or business entity who is under investigation for or charged with a violation of this chapter, even if the individual's or business entity's license has been surrendered or has lapsed by operation of law.

SECTION 37. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) An individual or business entity holding a license issued under this subtitle or holding a license as a surplus lines broker, viatical settlement broker, or viatical settlement provider shall notify the commissioner in writing immediately if the licensee's license to conduct insurance, securities, real estate, auctioneer, investment, financial, or financial planning business of any kind in this state or elsewhere is surrendered or terminated under threat of disciplinary action, refused, suspended, revoked, or renewal of continuance is denied.

(2) A licensee shall report to the commissioner any administrative action taken against the licensee in another jurisdiction or by another governmental agency in Kentucky within thirty (30) days of the final disposition of the matter. This report shall include:

(a) A written statement identifying the type of license and explaining the circumstances of each incident;

(b) A copy of the notice of hearing or other document that states the charges and allegations; and

(c) A copy of the official document which demonstrates the resolution of the charges or any final judgment.

(3) Within thirty (30) days of service upon the licensee of any criminal complaint, information, or indictment in any jurisdiction, the licensee shall submit to the commissioner the following:

(a) A written statement explaining the circumstances of each incident;

(b) A copy of the charging document; and

(c) A copy of the official document which demonstrates the resolution of the charges or any final judgment.

(4) If the charges alleged in the criminal complaint, information, or indictment have not been finally resolved within the thirty (30) day period following service of the criminal complaint, information, or indictment, the licensee shall, within thirty (30) days following the resolution of the charges, submit to the commissioner a copy of the official document which demonstrates the resolution of the charges or any final judgment.

Section 38. KRS 304.9-705 is amended to read as follows:

(1) No ***individual or business entity***[~~person, firm, association, or corporation~~] shall act as a reinsurance intermediary broker in ***Kentucky***[~~this state~~] if the reinsurance intermediary broker maintains an office either directly or as a ***director, officer,*** member***,*** or[~~ an~~] employee of a ***business entity***[~~firm or association, or an officer, director, or employee of a corporation~~]:

(a) In ***Kentucky***[~~this state~~], unless the reinsurance intermediary broker is a licensed ***insurance*** producer in ***Kentucky and may sell reinsurance products under that insurance producer license***[~~this state~~]; or

(b) In another state, unless the reinsurance intermediary broker is a licensed ***insurance*** producer in ***Kentucky and may sell reinsurance products under that producer license, or is licensed in***[~~this state or~~] another state having a law substantially similar to KRS 304.9-700 to 304.9-759, or the reinsurance intermediary broker is licensed in Kentucky as a nonresident reinsurance intermediary.

(2) No ***individual or business entity***[~~person, firm, association, or corporation~~] shall act as a reinsurance intermediary manager:

(a) For a reinsurer domiciled in Kentucky, unless the reinsurance intermediary manager is a licensed ***insurance*** producer in Kentucky ***and may sell reinsurance products under that insurance producer license***;

(b) In Kentucky, if the reinsurance intermediary manager maintains an ***office***[~~officer~~], either directly or as a ***director, officer,*** member, or employee of a ***business entity***[~~firm or association, or an officer, director, or employee of a corporation~~] in Kentucky, unless the reinsurance intermediary manager is a licensed ***insurance*** producer in ***Kentucky and may sell reinsurance products under that insurance producer license***[~~this state~~]; or

(c) In another state for a nondomestic insurer, unless the reinsurance intermediary manager is a licensed ***insurance*** producer in Kentucky ***and may sell reinsurance products under that insurance producer license, is licensed in***[~~or~~] another state having a law substantially similar to KRS 304.9-700 to 304.9-759, or the person is licensed in Kentucky as a nonresident reinsurance intermediary.

(3)[~~The commissioner may require a reinsurance intermediary manager subject to subsection (2) of this section to:~~

~~(a) File a bond in an amount from an insurer authorized to do business in Kentucky for the protection of the reinsurer; and~~

~~(b) Maintain an errors and omissions insurance policy issued by an insurer authorized to do business in Kentucky in an amount acceptable to the commissioner.~~

~~(4) (a)~~] The commissioner may issue a reinsurance intermediary license to any ***individual or business entity***[~~person, firm, association, or corporation~~] who has complied with the requirements of KRS 304.9-700 to 304.9-759 ***and who is financially responsible to exercise the license***. The license issued to a ***business entity***[~~firm or association~~] shall ***be exercised only by individuals designated with the commissioner as to the license in accordance with Section 24 of this Act***[~~permit all members of the firm or association and any designated employees to act as reinsurance intermediaries under the license, and all persons shall be named in the application and any changes shall be filed in writing with the commissioner. The license issued to a corporation shall permit all of the officers, and any designated employees and directors thereof, to act as reinsurance intermediaries on behalf of the corporation, and all persons shall be named in the application and any changes shall be filed in writing with the commissioner.~~

~~(b) If the applicant for a reinsurance intermediary license is a nonresident, the applicant, as a condition precedent to receiving or holding a license, shall designate the Secretary of State as agent for service of process in the manner, and with the same legal effect, provided for by this chapter for designation of service of process upon unauthorized insurers, and shall furnish the commissioner with the name and address of a resident of Kentucky upon whom notices or orders of the commissioner or process affecting the nonresident reinsurance intermediary may be served. The reinsurance intermediary shall promptly notify the commissioner in writing of every change in the person designated to receive notices or orders of the commissioner or process, and the change shall not become effective until acknowledged by the commissioner~~].

(4)[~~(5)~~] The commissioner may refuse to issue a reinsurance intermediary license if, in his judgment, the applicant, anyone named on the application, or any member, principal, officer, or director of the applicant is not trustworthy or of good reputation, or that any controlling person of the applicant is not trustworthy to act as a reinsurance intermediary, or that any of the foregoing persons have given cause for revocation or suspension of the license, or has failed to comply with any prerequisite for the issuance of the license.

(5)[~~(6)~~] Licensed attorneys at law of Kentucky, when acting in their professional capacity as ***attorneys***[~~such~~], shall be exempt from this section.

Section 39. KRS 304.10-120 is amended to read as follows:

(1) Any person[~~ while licensed in this state as an agent~~] who:

(a) Is a resident of Kentucky ***or is a nonresident who is not eligible to be issued a license in accordance with Section 18 of this Act***;

(b) ***Holds an agent license with lines of authority for property and casualty; and***[~~Has been continuously licensed for at least three (3) years;~~]

(c) Is deemed by the commissioner to be competent and trustworthy with respect to the handling of surplus lines;[~~ and~~

~~(d) Represents at least three (3) insurers admitted to transact property or casualty insurance in Kentucky;~~]

may be licensed as a surplus lines broker.

(2) Application for the license shall be made to the commissioner on forms as designated and furnished by the commissioner.

(3) The license fee shall be as specified in KRS 304.4-010.

(4) The license and licensee shall be subject to the applicable provisions of Subtitle 9 of this chapter.

(5)[~~ In order for a surplus lines broker's license to be renewed, the licensee shall have at least five (5) current appointments with property or casualty insurers admitted to do business in Kentucky.~~

~~(6)~~] Notwithstanding subsection (1)[~~(a)~~] of this section, on or after July 1, 2002, an ***applicant***[~~individual~~] licensed as a surplus lines broker in the applicant's home state may be issued a nonresident surplus lines broker's license in Kentucky if the applicant's home state issues surplus lines broker licenses to Kentucky residents on the same basis.

Section 40. KRS 304.10-140 is amended to read as follows:

(1) ***To the extent the Gramm-Leach-Bliley Act, 15 U.S.C. sec. 6751(f), provides that evidence of financial responsibility may be required for licensing,*** prior to issuance of a license as a surplus lines broker, the applicant shall file with the commissioner, and for as long as the license remains in effect shall keep in force:

(a)[~~(1)~~] Evidence of financial responsibility in the sum of not less than one million dollars ($1,000,000) per occurrence, and the sum of two million dollars ($2,000,000) in the aggregate, for all occurrences within one (1) year, either in the form of an errors and omissions insurance policy issued by an authorized insurer, a bond issued by an authorized corporate surety, a deposit, or a combination of a bond issued by an authorized corporate surety and a deposit. The policy, bond, deposit, or combination of a bond or deposit shall not be terminated unless at least thirty (30) days' prior written notice is given to the licensee and the commissioner; and

(b)[~~(2)~~] A bond in favor of the State of Kentucky in the penal sum of fifty thousand dollars ($50,000), with an authorized corporate surety guaranteeing that he or she will conduct business under the license in accordance with the provisions of this subtitle and that he or she will promptly remit the taxes required by KRS 304.10-180. The aggregate liability of the surety for any and all claims on any bond shall in no event exceed the penal sum. No bond shall be terminated unless not less than thirty (30) days' prior written notice is given to the licensee and filed with the commissioner.

(2) An insurer issuing coverage under subsection (1)(a) or (b) of this section may offer, as a part of the policy or as an optional endorsement to the policy, deductibles optional to the surplus lines broker applicant or licensee for the payment of claims. Deductible amounts offered in accordance with this section shall be fully disclosed to the applicant or licensee in writing. If the applicant or licensee chooses a deductible policy, the insurer shall pay the deductible amount initially and the licensee shall be liable to the insurer, at the time and in the manner prescribed in the policy, for the amount of the deductible. If the licensee fails to reimburse the insurer as required by this subsection, his or her surplus lines broker license and all other licenses issued by the commissioner are revoked and shall be promptly surrendered to the commissioner without demand. Nothing contained in this subsection is intended to or shall in any manner alter or affect the rights of the insurer to collect the reimbursement for the deductible from the surplus lines broker.

Section 41. KRS 304.10-170 is amended to read as follows:

(1) Each broker shall, ***within thirty (30) days of the end of each calendar quarter***[~~on or before the first day of April of each year~~], file with the commissioner a verified statement of all surplus lines insurance transacted by him during the preceding calendar ***quarter***[~~year~~].

(2) The statement shall be on forms as prescribed[~~ and furnished~~] by the commissioner and shall show:

(a) Gross amount of each kind of insurance transacted;

(b) Aggregate of gross premiums charged;

(c) Aggregate of returned premiums paid insureds;

(d) Aggregate of net premiums; and

(e) Additional information as required by the commissioner.

Section 42. KRS 304.10-180 is amended to read as follows:

(1) Each broker shall pay the following taxes:

(a) [~~On or before the first day of April each year, ~~]A tax at the rate of three percent (3%) on the premiums, assessments, fees, charges, or other consideration deemed part of the premium as defined in KRS 304.14-030, on surplus lines insurance subject to tax transacted by him or her with unauthorized insurers during the preceding calendar ***quarter***[~~year~~] as shown by his or her ***quarterly***[~~annual~~] statement filed with the commissioner ***in accordance with Section 41 of this Act***. The tax shall not be assessed on the premium surcharge tax, the local government premium tax, or any other state or federal tax. The tax shall be remitted to the commissioner ***within thirty (30) days of the end of each calendar quarter***. When collected the tax shall be credited to the insurance regulatory trust fund, as established by KRS 304.2-400;

(b) The premium surcharge tax, to be remitted to the Kentucky Revenue Cabinet, in accordance with KRS 136.392; and

(c) The local government premium tax, to be remitted to the appropriate city, county, or urban-county government taxing authority, in accordance with KRS 91A.080.

(2) If a surplus lines policy covers risks or exposures only partially in this state the tax so payable shall be computed upon the proportion of the premium which is properly allocable to the risks or exposures located in this state.

Section 43. KRS 304.12-100 is amended to read as follows:

Nothing in KRS 304.12-080 and 304.12-090 shall be construed as prohibiting:

(1) Payment of lawfully earned commission or other lawful compensation to duly licensed ***insurance producers as defined in Section 4(4) of this Act;***[~~agents, surplus lines brokers, and solicitors.~~]

(2) Distribution by a participating insurer to its participating policyholders of dividends, savings, or the unused or unabsorbed portion of premiums and premium deposits***;***[~~.~~]

(3) Furnishing of information~~,~~ advice***,*** or services for the purpose of reducing the loss or liability to loss under a policy***;***[~~.~~]

(4) Life insurers from paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, if such bonus or abatement is fair and equitable to all policyholders and for the best interests of the insurer and its policyholders***;***[~~.~~]

(5) In the case of insurance policies issued on the debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the savings in collection expense or making allowance to policyholders who make premium payments at less frequent intervals than required***; or***[~~.~~]

(6) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of any policy year of insurance thereunder, which may be made retroactive only for such policy year.

Section 44. KRS 304.12-110 is amended to read as follows:

No insurer, ***insurance producer as defined in Section 4(4) of this Act***[~~agent, surplus lines broker, solicitor~~], or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

(1) Any employment***;***[~~.~~]

(2) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto***;***[~~.~~]

(3) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any profits or special returns or special dividends***; or***[~~.~~]

(4) Any prizes, goods, wares, merchandise, or property of an aggregate value in excess of ten dollars ($10).

Section 45. KRS 304.12-140 is amended to read as follows:

(1) No person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property shall require, as a condition to[~~ such~~] financing or lending, ***or varying the terms and conditions of the financing or lending,*** or as a condition to the renewal or extension of any[~~ such~~] loan ***or credit*** or to the performance of any other act in connection with[~~ such~~] financing or lending, that the purchaser or borrower, or his successors, shall negotiate through a particular insurer***;***[~~ or insurers, insurance~~] agent[~~ or agents~~], ***or*** type of insurer[~~ or types of insurers~~], any policy of insurance or renewal[~~ thereof~~] insuring ***the***[~~such~~] property or the life or health of the borrower.

(2) This section shall not prevent the reasonable exercise by any[~~ such~~] vendor or lender of ***its***[~~his~~] right to approve or disapprove the insurer selected to underwrite the insurance, and to determine the adequacy of the insurance offered.

Section 46. KRS 304.12-150 is amended to read as follows:

Every debtor, borrower***,*** or purchaser of property with respect to which insurance of any kind is required in connection with a debt or loan on ***the***[~~such~~] property shall be informed by the creditor or lender of his right of free choice in the selection of the agent and insurer through or by which such insurance is to be placed. There shall be no interference either directly or indirectly with ***the***[~~such~~] borrower's, debtor's***,*** or purchaser's free choice of an agent and of an insurer, ***the creditor or lender shall not collect a separate charge for the handling of insurance required in connection with a loan or extension of credit based on the consumer's choice of agent or insurer,*** and the creditor or lender shall not refuse an adequate policy so tendered by the borrower, debtor***,*** or purchaser. Upon notice of any refusal of ***an adequate***[~~such tendered~~] policy, the commissioner shall order the creditor or lender to accept the tendered policy, if he determines that such refusal is not in accordance with the requirements set out in subsection (2) of KRS 304.12-140. Failure to comply with ***the***[~~such an~~] order of the commissioner shall be deemed a violation of this section.

Section 47. KRS 304.32-120 is amended to read as follows:

When the annual statement of a corporation subject to the provisions of this subtitle shall have been filed and all fees due from the corporation shall have been paid, the corporation's certificate of authority to do business in this state shall automatically be extended until such time as the commissioner refuses to relicense the corporation.[~~ When the fee involved in the renewal of an agent's license shall have been paid by the corporation, or the individual agent, the license shall automatically be extended until such time as the commissioner refuses to renew the license.~~]

Section 48. KRS 304.32-180 is repealed and reenacted to read as follows:

(1) *An agent of the corporation shall be licensed as an agent with a health line of authority in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent licenses.*

(2) Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 27 of this Act.

(3) An agent of the corporation shall be appointed by the corporation in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments[~~"Agent" means any person authorized by a corporation subject to the provisions of this subtitle and on its behalf to solicit applications for subscription or membership, or offers or assumes to act in the negotiation thereof. To qualify for an agent's license an applicant shall:~~

~~(a) Be above the age of eighteen (18) years;~~

~~(b) Be a bona fide resident of and actually reside in this state;~~

~~(c) Be a trustworthy person;~~

~~(d) Be appointed as an agent by one (1) or more corporations subject to the provisions of this subtitle;~~

~~(e) Make application to the commissioner in the manner and form prescribed by him. As a part or in connection with any application, the applicant shall furnish information concerning his identity, personal history, experience, business record, purposes, and any other information the commissioner may reasonably require;~~

~~(f) Pay the fee provided in Subtitle 4 of this chapter; and~~

~~(g) Take an examination given by the commissioner as a test of his qualifications and competence.~~

~~(2) Agents' licenses shall expire at midnight on March 31 unless the licensee prior thereto has filed with the commissioner, on forms prescribed and furnished by him, a request for continuation of license accompanied by payment of the renewal fee as provided in Subtitle 4 of this chapter, except that any request for continuation filed with the commissioner after such March 31 and prior to the next following June 30 may be accepted and effectuated by the commissioner, in his discretion, if accompanied by a penalty as prescribed in Subtitle 99 of this chapter.~~

~~(3) Agents shall satisfactorily complete a minimum of twenty four (24) hours of continuing education courses, of which twelve (12) must be classroom hours, during each continuing education biennium, as provided by KRS 304.9-295 and any administrative regulations promulgated thereunder~~].

Section 49. KRS 304.32-270 is amended to read as follows:

Nonprofit hospital, medical-surgical, dental, and health service corporations shall be subject to the provisions of this subtitle, and to the following provisions of this code, to the extent applicable and not in conflict with the express provisions of this subtitle:

(1) Subtitle 1 -- Scope -- General Definitions and Provisions;

(2) Subtitle 2 -- Insurance Commissioner;

(3) Subtitle 7 -- Investments;

(4) Subtitle 8 -- Administration of Deposits;

(5) Subtitle 12 -- Trade Practices and Frauds;

(6) Subtitle 25 -- Continuity of Management;

(7) Subtitle 33 -- Insurers Rehabilitation and Liquidation;

(8) Subtitle 18 -- KRS 304.18-110, 304.18-120 -- Group Conversion and KRS 304.18-045;

(9) Subtitle 4 -- Fees and Taxes;

(10) Subtitle 99 -- Penalties;

(11) Subtitle 14 -- KRS 304.14-500 to 304.14-560;

(12) Subtitle 17A -- Health Benefit Plans;[~~ and~~]

(13) Subtitle 17B -- Kentucky Access*; and*

(14) Subtitle 9 -- Agents, Consultants, Solicitors and Adjusters.

Section 50. KRS 304.38-110 is repealed and reenacted to read as follows:

(1) *An agent of a health maintenance organization shall be licensed as an agent with a health line of authority in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent licenses.*

(2) Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 27 of this Act.

(3) An agent of a health maintenance organization shall be appointed by the health maintenance organization in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments[~~The commissioner shall promulgate such reasonable rules and regulations as are necessary to provide for the licensing of agents, and the termination or revocation of such license. An "agent" means any person directly or indirectly associated with such organization who engages in solicitation or enrollment of persons for profit or pecuniary gain in a health~~

~~maintenance organization.~~

~~(2) Agents shall satisfactorily complete a minimum of twenty four (24) hours of continuing education courses, of which twelve (12) must be classroom hours, during each continuing education biennium, as provided in KRS 304.9-295 and any administrative regulations promulgated thereunder~~].

Section 51. KRS 304.48-100 is repealed and reenacted to read as follows:

(1) An agent of a liability self-insurance group shall be licensed as an agent with property and casualty lines of authority in accordance with Subtitle 9 of this chapter regulating all aspects of agent licenses.

(2) Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 27 of this Act.

(3) An agent of a liability self-insurance group shall be appointed by the liability self-insurance group in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments[~~The commissioner shall promulgate reasonable administrative regulations as are necessary to provide for the licensing of agents appointed or sponsored by the liability self-insurance group and the termination or revocation of such license~~].

Section 52. KRS 304.99-020 is amended to read as follows:

(1) For any violation of this code where the commissioner has the power to revoke or suspend a license or certificate of authority he may in lieu thereof or in addition to such revocation or suspension impose a civil penalty against the violator in the case of an insurer, a fraternal benefit society, nonprofit hospital, medical-surgical, dental, and health service corporation, ***or*** health maintenance organization[~~, or prepaid dental plan organization~~], of not more than ten thousand dollars ($10,000) per violation; in the case of an agent, ***surplus lines*** broker***, rental vehicle agent or managing employee, specialty credit producer or managing employee, or reinsurance intermediary broker or manager***[~~or solicitor~~] of not more than one thousand dollars ($1,000) per violation; in the case of an adjuster, administrator, ***viatical settlement broker, viatical settlement producer,*** or consultant of not more than two thousand dollars ($2,000) per violation.

(2) Such civil penalty may be recovered in an action brought thereon in the name of the Commonwealth of Kentucky in any court of appropriate jurisdiction.

(3) In any court action with respect to a civil penalty, the court may review the penalty as to both liability and reasonableness of amount.

Section 53. KRS 304.99-100 is amended to read as follows:

(1) The appointment of an agent, including rental vehicle agent, rental vehicle managing employee, specialty credit producer, and specialty credit managing employee, may be renewed by an insurer under subsection (8) of Section 26 of this Act if the request and late payment for renewal is accompanied by a penalty equal to the amount of the biennial renewal fee specified in Subtitle 4 of this chapter.

(2) A license issued under Subtitle 9 of this chapter, surplus lines broker license, viatical settlement broker license, and viatical settlement provider license[~~The licenses of each solicitor, consultant, adjuster, surplus lines broker, agent, and fraternal benefit society agent~~] may be ***reissued***[~~continued or renewed~~] under KRS 304.9-260***(2)***[~~ and 304.9-270~~] if the request ***and late payment*** for ***reissue are***[~~continuation or renewal is~~] accompanied by a penalty equal to the amount of the biennial[~~ continuation or~~] renewal fee specified in Subtitle 4 of this chapter.

Section 54. The following KRS sections are repealed:

304.9-136 Compensation for referral of consumers by employees of a general agency -- Conditions.

304.9-142 Fees charged to out-of-state individuals or business entities.

304.9-490 Banks exempt from KRS 304.9-480 and 304.9-485.

304.12-170 Using insurance information to detriment of another.

304.32-190 Agents: appointment.

304.32-200 Revocation of agent's license.

HB 375, AN ACT relating to an electronic health network and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

The General Assembly finds and declares that:

(1) The Federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires the standardized electronic transmission of health care data and ensures the privacy and security of protected health information;

(2) Strengthening the security of protected health information is a core benefit of an electronic health network;

(3) Participating in a HIPAA compliant electronic health network would facilitate the state receiving federal matching funds at a rate up to ninety percent (90%) to upgrade the Medicaid management information system;

(4) Kentucky is a leader in medical technology and can expand its leadership role to become a national model for health

information technology;

(5) *The Institute of Medicine has recommended reduction of preventable medical errors as a priority for the United States and identified the use of information technology as a critical factor in this effort;*

(6) *The Institute of Medicine has identified the problem of unnecessary medical care and, conversely, the lack of needed care as major problems that can be addressed in part by improved use of information technology;*

(7) *An electronic health network would simplify administrative tasks and support evidence-based clinical decisions, thereby improving the quality of health care;*

(8) *Currently, there are inefficiencies in the delivery of health care that contribute to the increasing cost of health care;*

(9) *Potential savings could result from decreasing inefficiencies in the healthcare system;*

(10) *Some organizations have demonstrated savings associated with implementing electronic processing of health data;*

(11) *Administrative savings and improved efficiency in the delivery of health care could translate into a reduction in the growth in health care insurance premiums;*

(12) *Rural and innercity areas of Kentucky have limited resources to fund the development of health information technology;*

(13) *Some institutions and organizations have a lack of resources to participate in a statewide electronic health network;*

(14) *A feasibility study that considers the resources and potential funding sources for the development of health information technology in rural and innercity areas of Kentucky would be completed prior to the implementation of an electronic health network;*

(15) *Participation in any electronic health network would be voluntary;*

(16) *It is in the interest of the citizens of this Commonwealth to investigate and implement a model that would improve the quality of health care and result in substantial savings that could be used to provide care to citizens who are not receiving the health care they need and expand care to the underinsured and uninsured; and*

(17) *In its fully implemented form, the Kentucky e-Health Network is envisioned to support or encourage the following types of electronic transactions or activities that would be phased in over time:*

(a) *Aggregate data for clinical research;*
(b) *Aggregate utilization data;*
(c) *Automatic drug-drug interaction and allergy alerts;*
(d) *Automatic preventive medicine alerts;*
(e) *Electronic access to the results of laboratory, x-ray, or other diagnostic examinations;*
(f) *Disease management;*
(g) *Disease surveillance and reporting;*
(h) *Educational offering for health care providers;*
(i) *Links to drug formularies and cost information;*
(j) *Links to evidence-based medical practice;*
(k) *Links to patient educational materials;*
(l) *Medical record information transfer to other providers with the patient's consent;*
(m) *Physician order entry;*
(n) *Prescription drug tracking;*
(o) *Registries for vital statistics, cancer, case management, immunizations, and other public health registries;*
(p) *Secured electronic consultations between providers and patients;*
(q) *Single source insurance credentialing system for health care providers; and*
(r) *The following transactions covered by HIPAA:*
    1. *Health care claims or equivalent encounter information;*
    2. *Health care payment and remittance advice;*
    3. *Coordination of benefits;*
    4. *Health care claim status;*
    5. *Enrollment and disenrollment in a health plan;*
    6. *Eligibility for a health plan;*
    7. *Health plan premium payments;*
    8. *Referral certification and authorization;*
    9. *First report of injury; and*

10. Health claims attachments.

SECTION 2. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 5, 6, 7, 14, 15, and 19 of this Act:

(1) "Board" means the Kentucky e-Health and Telehealth Board;

(2) "Insurer" has the same meaning as provided in KRS 304.17A-005;

(3) "Electronic health network" means a network that allows for secure exchange of needed information among authorized health care providers, third party payors, and patients, with information being exchanged in real-time when feasible;

(4) "Health care provider" has the same meaning as provided in KRS 311.621;

(5) "HIPAA" means the Federal Health Insurance Portability and Accountability Act; and

(6) "Ke-HN" means the Kentucky e-Health Network.

SECTION 3. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) The duties and responsibilities of the board shall be to study the feasibility of implementing an electronic health network in this Commonwealth, and, if the board deems a model to be feasible, oversee the implementation of a model, to be known as the Ke-HN.

(2) The board shall:

(a) Exercise all of the administrative functions of the board;

(b) Appoint an advisory group that shall meet at least quarterly for the purpose of collaborating with health care providers and payors, computer technology companies, telecommunication companies, and other affected entities to ensure input into the evaluation and choice of the model selected for implementation;

(c) Review models for an electronic health network;

(d) Oversee the development of comparative business plans for the models reviewed and, if feasible, choose a model to be implemented in this Commonwealth. The feasibility study shall include the following elements:

1. Consideration of various models and configurations for Ke-HN, as either developed from the board's research or as recommended by public and private experts. Each model or configuration shall be capable of supporting administrative and clinical functions listed in Section 1 of this Act. At least one (1) model shall provide for the implementation of Ke-HN in phases, as determined by the board;

2. Projected costs of the network, indicating those which would be allocated to state government, health care providers, insurers, or others;

3. A business plan which includes options for financing the start-up, administrative, and maintenance costs, projected returns on investments, a timetable for realizing those returns, and any proposed subscription or transactions fees associated with the Ke-HN;

4. Procedures intended to secure protected health information in accordance with HIPAA;

5. Timetables for implementation of the Ke-HN, whether as a fully established network, in phases, or through the use of a pilot project or regional approach to the Ke-HN; and

6. Suggested incentives to promote the use of Ke-HN by health care providers and payors, and the Medicaid program;

(e) Receive comments from the advisory group created in subsection (2) of this section and the public prior to choosing a model;

(f) Submit the results of the feasibility study and a description of the model chosen to the Legislative Research Commission prior to November 1, 2002, for the opportunity for any comments;

(g) If state funds are required for implementation of the model chosen, seek funding through the appropriations process;

(h) If a model is deemed to be feasible by the board based on the business plan, oversee the implementation of the model chosen. Oversight shall include the following:

1. Developing any central interchange, including any central server and software;

2. Developing the Ke-HN of providers and payors who participate in the network, which shall be on a voluntary basis;

3. Making recommendations regarding the features and functions which shall be included in the distributed components of the network; and

4. Performing outcomes assessment of the benefits achieved by the network;

(i) Identify and adopt standards for all computer systems communicating with the Ke-HN, including but not limited to:

1. The HIPAA standards for electronic transactions as the federal regulations become final or more *stringent standards for content and networking as determined by the board;*

2. Medical lexicon for administrative billing and clinical purposes;

3. Procedure and billing codes; and

4. Prevalent health care industry standards for software and networking that ensure that applications work on all types of computer systems and equipment;

(j) Establish procedures to assure that Ke-HN transactions are in compliance with HIPAA guidelines;

(k) Facilitate the implementation of the federal HIPAA guidelines, and identify any additional variables specific to Kentucky that are required to be in transactions within the HIPAA guidelines;

(l) Oversee the operations of the Ke-HN, including but not limited to making recommendations for financing the central interchange for the network and making recommendations to organizations about implementing the network in their respective organization;

(m) Oversee the development of the central interchange that supports communication between components of the Medicaid management information system developed under Section 15 of this Act;

(n) Implement educational efforts about the Ke-HN;

(o) Develop incentives for providers and payors to use the Ke-HN;

(p) Identify options for, adopt, and implement approaches to various aspects of the Ke-HN necessary for its creation and operation, including but not limited to technology architecture, governance and oversight, development and implementation plans, and other areas identified by the board relating to its charge;

(q) Facilitate the development of private and public partnerships to build the Ke-HN;

(r) Promulgate administrative regulations in accordance with KRS Chapter 13A necessary to carry out the responsibilities of the board;

(s) Receive and dispense funds appropriated for its use by the General Assembly or may solicit, apply for, and receive any funds, property, or services from any person, governmental agency, or organization to carry out its statutory responsibilities;

(t) Report to the Governor, Legislative Research Commission, Interim Joint Committee on Health and Welfare, and Interim Joint Committee on Banking and Insurance annually on the development of the Ke-HN and the impact on quality and cost of health care; and

(u) Carry out the responsibilities of the board included in subsections (17) and (18) of Section 6 of this Act that relate to the telehealth network.

(3) The board may:

(a) Use any software program or expand any Medicaid management information system or electronic provider and payor network developed by the Medicaid program under Section 15 of this Act to support electronic health transactions between non-Medicaid payors, insurers, health care providers, and patients, unless prohibited by federal law or regulation;

(b) Contract with an independent third party for any service necessary to carry out the responsibilities of the board; and

(c) Award grants to health care providers and payors to implement projects related to health informatics, with highest priority given to health care providers and payors that serve rural and innercity areas of this Commonwealth.

SECTION 4. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) The Economic Development Cabinet, upon request of the board, may apply to the State Property and Buildings Commission for the issuance of revenue bonds for the purpose of financing the costs of the design, development, and maintenance of the Ke-HN created under Section 6 of this Act.

(2) No member of the board shall be subject to any personal liability or accountability related to any revenue bonds issued upon the request of the board.

SECTION 5. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

(1) There is established and created in the State Treasury a fund entitled the "Ke-HN and Telehealth fund." The fund may receive:

(a) State appropriations;

(b) Gifts;

(c) Grants;

(d) Revolving funds;

(e) Transaction, service, or other fees set by the board;

(f) Federal funds; and

(g) Any other public and private funds.

(2) Moneys deposited in the Ke-HN and Telehealth fund shall be disbursed by the State Treasurer upon the warrant of the board. This fund shall be used solely for purposes related to the Ke-HN and telehealth as approved by the board. The fund shall not lapse, and funds not expended during any fiscal year shall carry forward to the next fiscal year.

Section 6. KRS 11.550 is amended to read as follows:

(1) The *Kentucky e-Health and* Telehealth Board is created~~[and placed for administrative purposes under the Governor's Office for Technology]~~. *The board shall be attached to the Governor's Office of Technology for the purposes of administrative and technical support, to the Office of the New Economy under the Economic Development Cabinet for purposes of research, development, and securing funds for the network, and to the Cabinet for Health Services for purposes of health regulation, management of the Medicaid management system, and securing funds for the network*~~[This nine (9) member board shall consist of the:~~

~~(a) Chancellor, or a designee, of the medical school at the University of Kentucky;~~

~~(b) Chancellor, or a designee, of the medical school at the University of Louisville;~~

~~(c) Commissioner, or a designee, of the Department for Public Health;~~

~~(d) Chief information officer, or a designee, of the Governor's Office for Technology; and~~

~~(e) Five (5) members at large, appointed by the Governor, who are health professionals or third parties as those terms are defined in KRS 205.510. To ensure representation of both groups, no more than three (3) health professionals or two (2) third parties shall be members of the board at the same time. These members shall serve a term of four (4) years, may serve no more than two (2) consecutive terms, and shall be reimbursed for their costs associated with attending board meetings]~~.

(2) *The board shall consist of the following voting members:*

(a) President, or a designee, of the University of Kentucky, who shall serve as co-chair of the board;

(b) President, or a designee, of the University of Louisville, who shall serve as co-chair of the board;

(c) Commissioner, or a designee, of the Department for Public Health;

(d) Commissioner, or a designee, of the Department for Medicaid Services;

(e) Chief information officer, or a designee, of the Governor's Office of Technology; and

(f) Nine (9) at-large members appointed by the Governor as follows:

1. One (1) member engaged in the business of large scale e-strategy and computer information technology;

2. One (1) member engaged in the business of health insurance who is recommended by the Kentucky Association of Health Plans, Incorporated;

3. Two (2) members from a list of four (4) individuals recommended by the Kentucky Hospital Association, one (1) representing rural hospitals, and one (1) representing urban hospitals;

4. Two (2) physicians actively engaged in the practice of medicine in this Commonwealth from a list of four (4) physicians recommended by the Kentucky Medical Association or self-nominated;

5. One (1) member from a company with at least one thousand (1,000) employees selected from a list of four (4) individuals submitted by the Associated Industries of Kentucky;

6. One (1) member with experience as a physician practice manager; and

7. One (1) member at large.

(3) The board shall consist of the following nonvoting members:

(a) Commissioner, or a designee, of the Office for the New Economy;

(b) Secretary, or a designee, of the Personnel Cabinet;

(c) Secretary, or a designee, of the Cabinet for Health Services;

(d) Commissioner, or a designee, of the Department of Insurance;

(e) One (1) member of the Senate who is a member of the Interim Joint Committee on Health and Welfare Committee, appointed by the President of the Senate; and

(f) Two (2) members of the House of Representatives who are members of the Interim Joint Committee on Health and Welfare Committee, appointed by the Speaker of the House.

(4) The initial members of the board shall be appointed within ten (10) business days after the effective date of this Act.

(5) Members of the board shall serve a term of four (4) years and may serve two (2) consecutive terms.

(6) At the end of a term, a member of the board shall continue to serve until a successor is appointed. A member who is appointed after a term has begun shall serve the rest of the term and until a successor is appointed. A member of the board who serves two (2) consecutive full four (4) year terms shall not be reappointed for four (4) years after completion of those terms. Members designated in paragraphs (a) to (e) of subsection (2) of this section and members

designated in subsection (3) of this section shall serve on the board only while holding their respective titles.

(7) A majority of the full membership of the board shall constitute a quorum.

(8) The board may employ staff or contract with consultants necessary for the performance of the duties of the board.

(9) No member of the board shall be subject to any personal liability or accountability for any loss sustained or damage suffered on account of any action or inaction of the board.

(10) Members of the board and all committees, except the advisory group created in subsection (2) of Section 3 of this Act, shall be entitled to reimbursement for actual and necessary expenses when carrying out official duties of the board in accordance with state administrative regulations relating to travel reimbursements. The board shall meet at least six (6) times each year.

(11) The board shall appoint committees or subcommittees with the charge of investigating and making recommendations to the board on specific aspects of the Ke-HN, including but not limited to telehealth, evidence-based clinical decision support, security of protected information, electronic data interchange, and clinical practice software packages, including the feasibility of developing a software purchasing alliance to decrease the cost of software and tax incentives to encourage members of the network to purchase software deemed by the board to meet the standards under Section 3 of this Act. The board shall, at least, appoint the following committees:

- *(a) Clinical Decision Support Committee;*
- *(b) Privacy and Security of Protected Health Information Committee;*
- *(c) Electronic Data Interchange Committee; and*
- *(d) Clinical Software Review Committee.*

(12) The members of committees or subcommittees appointed by the board do not need to be members of the board. The chair of committees or subcommittees shall be appointed by the board. The frequency of committee or subcommittee meetings shall be established by the board.

(13) The Clinical Decision Support Committee membership shall include at least the following members:

- *(a) One (1) physician with expertise in health informatics;*
- *(b) Two (2) physicians actively engaged in the practice of medicine in this Commonwealth from a list of four (4) physicians recommended by the Kentucky Medical Association or self-nominated;*
- *(c) One (1) representative of a rural hospital and one (1) representative of an urban hospital;*
- *(d) One (1) pharmacist;*
- *(e) One (1) representative engaged in the business of health care information technology;*
- *(f) Two (2) members with experience as physician practice managers, one (1) from a single-physician practice and one (1) from a multi-physician practice; and*
- *(g) One (1) member engaged in the business of health insurance who is recommended by the Kentucky Association of Health Plans, Incorporated.*

(14) The Privacy and Security of Protected Health Information Committee shall include at least the following members:

- *(a) One (1) physician actively engaged in the practice of medicine in this Commonwealth;*
- *(b) Two (2) members with expertise in HIPAA regulations;*
- *(c) Two (2) members engaged in the business of large scale e-strategy and computer information technology;*
- *(d) One (1) member who serves as a computer information officer within the health care industry;*
- *(e) Two (2) members with experience as physician practice managers, one (1) from a single-physician practice and one (1) from a multi-physician practice; and*
- *(f) One (1) member engaged in the business of health insurance who is recommended by the Kentucky Association of Health Plans, Incorporated.*

(15) The Electronic Data Interchange Committee shall include at least the following members:

- *(a) Two (2) members engaged in the business of large scale e-strategy and computer information technology;*
- *(b) Two (2) members engaged in the business of health insurance who are recommended by the Kentucky Association of Health Plans, Incorporated;*
- *(c) Chief information officer, or a designee, of the Cabinet for Health Services;*
- *(d) Two (2) members with experience as physician practice managers, one (1) from a single-physician practice and one (1) from a multi-physician-physician practice; and*
- *(e) One (1) representative of a hospital.*

(16) The Clinical Software Review Committee shall include at least the following members:

- *(a) One (1) member from a company that develops computer software for physician practices;*
- *(b) One (1) member engaged in the business of large scale e-strategy and computer information technology;*

(c) Three (3) physicians, with one (1) having experience in electronic information technology;

(d) Two (2) members with experience as physician practice managers, one (1) from a single-physician practice and one (1) from a multi-physician practice;

(e) One (1) member engaged in the business of health insurance who is recommended by the Kentucky Association of Health Plans, Incorporated; and

(f) One (1) representative of a hospital[~~The members shall elect a chair and hold bimonthly meetings or as often as necessary for the conduct of the board's business~~].

(17)[~~(3)~~] The board shall promulgate administrative regulations in accordance with KRS Chapter 13A to:

(a) Establish telehealth training centers at the University of Kentucky, University of Louisville, the pediatric-affiliated hospitals at the University of Kentucky and the University of Louisville, and one (1) each in western Kentucky and eastern Kentucky, with the sites to be determined by the board;

(b) Develop a telehealth network, to coordinate with the training centers, of no more than twenty-five (25) rural sites, to be established based on the availability of funding and in accordance with criteria set by the board. In addition to these rural sites, the board may identify, for participation in the telehealth network, ten (10) local health departments, five (5) of which shall be administered by the University of Kentucky and five (5) of which shall be administered by the University of Louisville, and any other site that is operating as a telemedicine or telehealth site and that demonstrates its capability to follow the board's protocols and standards;

(c) Establish protocols and standards to be followed by the *telehealth* training centers and rural sites; and

(d) Maintain the central link for the *telehealth* network with the Kentucky information highway.

(18)[~~(4)~~] The board shall, following consultation with the Governor's Office for Technology, recommend the processes and procedures for the switching and running of the telehealth network.

(19)[~~(5)~~] The University of Kentucky and the University of Louisville shall report semiannually to the Interim Joint Committee on Health and Welfare on the following areas *related to telehealth,* as specified by the board through an administrative regulation promulgated in accordance with KRS Chapter 13A.

(a) Data on utilization, performance, and quality of care;

(b) Quality assurance measures, including monitoring systems;

(c) The economic impact on and benefits to participating local communities; and

(d) Other matters related to telehealth at the discretion of the board.

[~~(6) The board shall receive and dispense funds appropriated for its use by the General Assembly or obtained through any other gift or grant.~~]

SECTION 7. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Economic Development Finance Authority may give high priority to projects related to the KeHN created in Section 6 of this Act in its approval of funding of projects.

(2) A company that develops or manufactures software necessary for the development of the Ke-HN created in Section 6 of this Act may receive incentives, including but not limited to tax credits, low interest loans, and grants, under Subchapters 22, 23, 24, 26, and 28 of KRS Chapter 154, provided that the company meets all the eligibility requirements under the respective subchapter.

Section 8. KRS 164.6015 is amended to read as follows:

(1) There is established the Kentucky Innovation Commission, as an independent advisory commission, consisting of fifteen (15) members as follows:

(a) The Governor or designee;

(b) The secretary of the Governor's Executive Cabinet or designee;

(c) The secretary of the Cabinet for Economic Development or designee;

(d) The president of the Council on Postsecondary Education or designee;

(e) The state budget director or designee;

(f) The Speaker of the House or designee;

(g) The President of the Senate or designee; and

(h) Eight (8) at-large members appointed by the Governor as follows:

1. Four (4) members of the private sector possessing extensive experience and expertise relating to managing a high-technology business or engaging in an innovation-driven, knowledge-based enterprise;

2. One (1) member engaged in the business of venture capital;

3. One (1) member of the private sector possessing extensive experience and expertise relating to providing or

supporting communications infrastructure; and

4. Two (2) members who are engineers or scientists recognized for their scientific or technological research efforts, or educators with an interest or background in teaching students to become highly skilled workers or entrepreneurs.

(2) The eight (8) at-large members shall serve terms of four (4) years, except that the original appointments shall be staggered so that two (2) appointments shall expire at two (2) years, three (3) appointments shall expire at three (3) years, and three (3) appointments shall expire at four (4) years from the dates of initial appointment.

(3) The commission shall meet quarterly and at other times upon call by the chair.

(4) Eight (8) members shall constitute a quorum for conducting business.

(5) Members shall receive no compensation except that the at-large members shall be reimbursed for actual and necessary travel expenses for attending meetings and performing other official functions, consistent with state reimbursement policy for state employees.

(6) Vacancies shall be filled in the same manner as the original appointment.

(7) The chair and vice chair of the commission shall be appointed by the Governor from the private sector membership.

(8) The commission shall provide ongoing advice, direction, and policy recommendations to the Governor and the General Assembly relating to the status of Kentucky knowledge-driven businesses, research and development initiatives, and related high-skill training and education in the Commonwealth.

(9) The duties and responsibilities of the commission shall be to:

(a) Promote the cooperation of private and public entities that have the purpose and duty of advancing the knowledge-based economy in the Commonwealth through technological innovation and knowledge transfer;

(b) Consider performance indicators recommended by public and private experts in and outside of the state in the fields of research and development and economic development, for the purpose of recommending benchmarks. Experts in this state shall include, but not be limited to, representatives from the universities undertaking research and development activities, representatives of the Kentucky Science and Technology Corporation, representatives of targeted technology sectors, representatives of the Cabinet for Economic Development, and representatives of other state agencies having economic development and information technology responsibilities. Outside state experts shall include nationally recognized independent reviewers to assess the competitiveness of technology sectors in this state and the impact of research and development activities on economic development in the Commonwealth. Quantitative and qualitative indicators may include, but are not limited to, the following:

1. Kentucky companies modernizing to become more technologically innovative and globally competitive;

2. Research and development initiatives undertaken at Kentucky universities with federal, state, or private funds;

3. Educational attainment in areas that support the workforce needs of information technology and high-growth knowledge industries;

4. High-technology sectors and companies moving to and operating in the state;

5. Patents filed for technology or knowledge-based commercial products, processes, or services;

6. Businesses using electronic commerce and the communications infrastructure access capacity for Kentucky businesses; and

7. Growth in corporate headquarters, research and development centers, high-income employees, and clustering of related technology industries and suppliers;

(c) Operate as a common strategic umbrella to advocate for the use of federal, state, local government, and private sector funds to create research and development projects, modernize manufacturing facilities, and promote knowledge-based, technology sectors and companies in the Commonwealth;~~[and]~~

(d) Report to the Governor and to the General Assembly annually on performance indicators, recommending benchmarks for measuring progress toward the advancement of the knowledge-based economy, technological innovation, and knowledge transfer, and reporting on the programs and initiatives set forth in KRS 164.6019 to 164.6043 and KRS 154.12-270, 154.12-274, and 154.12-278***; and***

(e) Promote the cooperation of private and public entities to advance and fund health information technology in this Commonwealth.

(10) The support staff for the commission shall be from the office of the state budget director.

Section 9. KRS 164.6021 is amended to read as follows:

(1) There is created and established in the Council on Postsecondary Education a Kentucky Research and Development Voucher Program to provide vouchers to small and medium-size, Kentucky-based companies to undertake research and development work in partnership with universities in the Commonwealth.

(2) The purpose of the Kentucky Research and Development Voucher Program is to:

(a) Accelerate knowledge transfer and technological innovation, improve economic competitiveness, and spur economic growth in Kentucky-based companies;

(b) Support research and development activities that have clear potential to lead to commercially successful products, processes, or services within a reasonable period of time;

(c) Stimulate growth-oriented enterprises within the Commonwealth;

(d) Encourage partnerships and collaborative projects between private enterprises, Kentucky's universities, and research organizations;~~[and]~~

(e) Promote research and development activities that are market-oriented***; and***

(f) Promote the research and development and assist with funding of health information technology in this Commonwealth.

Section 10. KRS 164.6029 is amended to read as follows:

(1) There is created and established in the Council on Postsecondary Education a Kentucky Rural Innovation Program to provide vouchers to rural Kentucky-based, small companies to undertake research, development, and entrepreneurial innovation work in partnership with Kentucky postsecondary institutions, the Small Business Development Center Network in Kentucky, and other entities engaged in research and development work.

(2) The purpose of the Kentucky Rural Innovation Program is to:

(a) Accelerate knowledge transfer and technological innovation that improve economic competitiveness and spur economic growth in rural, Kentucky-based, small companies;

(b) Support entrepreneurial activities that have clear potential to lead to commercially successful products, processes, or services within a reasonable period of time;

(c) Stimulate growth-oriented enterprises within the Commonwealth;

(d) Encourage partnerships and collaborative projects between private enterprises, Kentucky's postsecondary institutions, research organizations, and the Small Business Development Center Network in Kentucky;~~[and]~~

(e) Promote research, development, and entrepreneurial activities that are driven by private sector requirements***; and***

(f) Promote the research and development and assist with funding of health information technology in this Commonwealth.

Section 11. KRS 164.6037 is amended to read as follows:

(1) There is created and established in the Council on Postsecondary Education a Kentucky Commercialization Fund Program to provide seed funding as defined in KRS 164.6011, for the development of promising technologies emerging from Kentucky's universities.

(2) The purposes of the Kentucky Commercialization Fund Program are to:

(a) Accelerate knowledge transfer and technological innovation, improve economic competitiveness, and spur economic growth in Kentucky-based companies;

(b) Provide seed funding for promising technologies developed in Kentucky's universities;

(c) Support promising technologies with commercial potential that are in their early stages of development;

(d) Promote technologies and resources offered by Kentucky's postsecondary institutions to private enterprises;~~[and]~~

(e) Support the formation and organization of private enterprise that advances commercial applications based on a university's research and development work***; and***

(f) Promote the research and development and assist with funding of health information technology in this Commonwealth.

Section 12. KRS 154.12-270 is amended to read as follows:

(1) As used in this section, "cluster" and "knowledge-based" shall have the same meaning as in KRS 164.6011.

(2) In an attempt to accomplish the mission of the Commonwealth's economic development system in KRS 154.01-020 and the purpose of the Kentucky Economic Development Partnership in KRS 154.10-010, the Cabinet for Economic Development shall undertake a strategic technology capacity initiative.

(3) The purposes of the strategic technology capacity initiative within the Cabinet for Economic Development shall be to:

(a) Focus on the recruitment of research and development companies, organizational units, projects, and activities in the Commonwealth;

(b) Attract high-technology and research and development centers into Kentucky and support the growth and creation of high-technology, innovative companies from within the Commonwealth;~~[and]~~

(c) Build and promote the networks of technology-driven and research-intensive industries with their related suppliers, with the goal of creating clusters of innovation-driven industries in Kentucky***; and***

(d) Promote the growth and creation of companies that produce high-technology products for the health industry

in this Commonwealth.

(4) In implementing the strategic technology capacity initiative, the Cabinet for Economic Development shall undertake a study that includes the following:

(a) An analysis to determine those knowledge-based industry sectors that would be best identified as appropriate targets for economic development recruitment;

(b) An analysis of supplier chains to the identified industry sectors that would support and enhance the presence of technology-driven industries; and

(c) A review and detailed survey of the financial needs of those targeted technology-driven industries to determine what changes may be needed in the state's incentive programs and other state support services to industry.

(5) The strategic technology capacity initiative shall utilize the assistance of various departments and functions within the Cabinet for Economic Development, other state government agencies, and other academic and technology-oriented entities to achieve the purposes under subsection (3) of this section.

(6) The Cabinet for Economic Development may enter into contracts or agreements with other private or public entities to study the capacity to attract high-technology and innovative companies and research and development centers to Kentucky and to assist in addressing the unique recruiting issues surrounding attracting these industries.

(7) The Cabinet for Economic Development shall provide to the Kentucky Innovation Commission a report of its strategic technology capacity initiative annually and the results of its study as required in subsection (4) of this section, and shall provide to the Kentucky Innovation Commission additional information and assistance in the completion of its work as required in KRS 164.6015(9)(b).

Section 13. KRS 154.12-274 is amended to read as follows:

(1) As used in this section, "cluster" shall have the same meaning as in KRS 164.6011.

(2) It is the intention of the General Assembly to recognize that a strong manufacturing base for the economy of the Commonwealth requires not only modernization of the production process but also an increase in the number of products developed, so that through the creation of new product lines, additional value-added products, and new manufacturing methods the economy will grow and quality job opportunities will increase. The Cabinet for Economic Development shall support this intention through its authority in KRS 154.12-050 and through its strategic technology capacity initiative in KRS 154.12-270.

(3) The Cabinet for Economic Development shall enter into contracts or agreements with the Kentucky Technology Service, Inc., a nonprofit organization with the mission to assist Kentucky small and medium-size manufacturers to become more competitive in the global marketplace. The contracts or agreements shall require the Kentucky Technology Service, Inc., to undertake the following activities:

(a) Negotiate contractual agreements with existing manufacturers to deliver modernization services that are likely to lead to the creation of new product lines, additional value-added products, and new manufacturing methods;

(b) Deliver engineering, technical, and business improvement services in Kentucky manufacturing facilities, through the network of Kentucky Technology Service locations in the state, that lead to the development of new product lines, additional value-added products, and new manufacturing methods;

(c) Coordinate services for and support the activities of Kentucky manufacturers that need additional projects, activities, and expertise beyond those available through the Kentucky Technology Service, Inc.;

(d) Promote, along with other economic development entities, the development of supplier chains, the linkages among suppliers, and the growth of clusters within the Commonwealth;[~~ and~~]

(e) Provide to the Cabinet for Economic Development and Kentucky Innovation Commission a report of the advances made in the manufacturing modernization projects initiated***; and***

(f) Promote the research and development and assist with the identification of funding sources for health information technology in this Commonwealth.

Section 14. KRS 154.12-278 is amended to read as follows:

(1) As used in this section, "cluster" and "knowledge-based" shall have the same meaning as in KRS 164.6011.

(2) There is established the Office of the Commissioner for the New Economy in the Cabinet for Economic Development. Notwithstanding KRS 154.10-050, the Governor shall nominate the commissioner, who shall be approved by the Kentucky Economic Development Partnership.

(3) The duties of the Office of the Commissioner for the New Economy shall include but not be limited to:

(a) Undertake a strategic technology capacity initiative under KRS 154.12-270;

(b) Develop a knowledge-based economy strategy to be presented to the Kentucky Economic Development Partnership and the Kentucky Innovation Commission in KRS 154.12-270;

(c) Oversee the modernization initiative in KRS 154.12-274;

(d) Assist the cabinet in the recruitment of research and development companies;

(e) Assist the cabinet in the attraction of high-technology research and development centers;

(f) Support growth and creation of knowledge-based, innovative companies;

(g) Build and promote networks of technology-driven clusters and research intensive industries;

(h) Administer the high-tech construction pool and the high-tech investment pool;~~[and]~~

(i) Recommend projects to the Kentucky Economic Development Finance Authority for funding through the high-tech construction pool and high-tech investment pool*; and*

(j) Promote the development and assist with securing funds for the Ke-HN created in Section 6 of this Act.

(4) The high-tech construction pool shall be used for projects with a special emphasis on the creation of high-technology jobs and knowledge-based companies. The commissioner, in administering the high-tech construction pool, shall recommend distribution of funds and projects to the Kentucky Economic Development Finance Authority for its approval. The commissioner shall recommend any designated amount of pool funds to be set aside for any match requirements. Any funds used for matching purposes may include public and private funds.

(5) The high-tech investment pool shall be used to build and promote networks to technology-driven industries and research-intensive industries, as well as their related suppliers, with the goal of creating clusters of innovation-driven industries in Kentucky. The commissioner, in administering the high-tech investment pool, shall be authorized to recommend funds to be used to support loans and grants, or to secure an equity position in industrial networks.

(6) The Kentucky Economic Development Finance Authority shall assure in their approval of funding of projects that the highest priority is given to knowledge-based companies in fulfillment of the purposes and intentions of the purposes of this section.

SECTION 15. A NEW SECTION OF KRS 205.510 TO 205.630 IS CREATED TO READ AS FOLLOWS:

(1) The Department for Medicaid Services shall submit the necessary information, letters, and advanced planning documents to the Centers for Medicare and Medicaid Services for approval of an electronic Medicaid management information system that integrates existing administrative transactions and provides support for clinical decisions if an electronic health network model is deemed feasible by the Kentucky e-Health and Telehealth Board created in Section 6 of this Act. The system shall be integrated with the Ke-HN created in Section 6 of this Act. The department shall request the maximum federal matching funds to assist in the development, infrastructure, and implementation of the system.

(2) An initial letter of intent to develop a the comprehensive Medicaid management system shall be submitted to the Federal Centers for Medicare and Medicaid Services no later than August 30, 2002. The department shall collaborate with the Centers for Medicare and Medicaid Services in the development of the advanced planning documents to secure funding to develop the electronic Medicaid management information system.

(3) The department may collaborate with the Cabinet for Families and Children to integrate eligibility for other public assistance programs and food stamps into the Medicaid management information system created under subsection (1) of this section.

(4) Any savings resulting from the implementation of electronic transactions under subsection (1) of this section shall be used to enhance the viability of the Medicaid program, and may include increases in reimbursement or the expansion of services.

Section 16. KRS 205.559 is amended to read as follows:

(1) The Cabinet for Health Services and any regional managed care partnership or other entity under contract with the cabinet for the administration or provision of the Medicaid program shall provide Medicaid reimbursement for a telehealth consultation that is provided by a Medicaid-participating practitioner who is licensed in Kentucky and that is provided in the telehealth network established in KRS 11.550*(17)*~~[(3)]~~(b).

(2) (a) The cabinet shall establish reimbursement rates for telehealth consultations. A request for reimbursement shall not be denied solely because an in-person consultation between a Medicaid-participating practitioner and a patient did not occur.

(b) A telehealth consultation shall not be reimbursable under this section if it is provided through the use of an audio-only telephone, facsimile machine, or electronic mail.

(3) A health-care facility that receives reimbursement under this section for consultations provided by a Medicaid-participating provider who practices in that facility and a health professional who obtains a consultation under this section shall establish quality-of-care protocols and patient confidentiality guidelines to ensure that telehealth consultations meet all requirements and patient care standards as required by law.

(4) The cabinet shall not require a telehealth consultation if an in-person consultation with a Medicaid-participating provider is reasonably available where the patient resides, works, or attends school or if the patient prefers an in-person consultation.

(5) The cabinet shall request any waivers of federal laws or regulations that may be necessary to implement this section.

(6) (a) The cabinet and any regional managed care partnership or other entity under contract with the cabinet for the

administration or provision of the Medicaid program shall study the impact of this section on the health care delivery system in Kentucky and shall, upon implementation, issue a quarterly report to the Legislative Research Commission. This report shall include an analysis of:

1. The economic impact of this section on the Medicaid budget, including any costs or savings as a result of decreased transportation expenditures and office or emergency room visits;
2. The quality of care as a result of telehealth consultations rendered under this section; and
3. Any other issues deemed relevant by the cabinet.

(b) In addition to the analysis required under paragraph (a) of this subsection, the cabinet report shall compare telehealth reimbursement and delivery among all regional managed care partnerships or other entities under contract with the cabinet for the administration or provision of the Medicaid program.

(7) The cabinet shall promulgate an administrative regulation in accordance with KRS Chapter 13A to designate the claim forms, records required, and authorization procedures to be followed in conjunction with this section.

Section 17. The current members of the Telehealth Board shall continue to serve the remainder of their terms as members of the Kentucky e-Health and Telehealth Board created under Section 6 of this Act. Until the Kentucky e-Health and Telehealth Board members are appointed, the Telehealth Board shall continue to operate and carry out the functions of the Telehealth Board.

Section 18. Any carryover funding or any future funding appropriated or funding from any other source designated for the purpose of telehealth shall be transferred to the Kentucky e-Health and Telehealth Board.

Section 19. Whereas an electronic health network could result in significant savings and improved quality of care, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

The Committee Amendment No. 1 to **HB 375** is as follows:

On page 4, line 15, by inserting "***using federal and private funds***" after "***Commonwealth***";

On page 4, line 26, by deleting "***plans***" and inserting "***cases***" in lieu thereof;

On page 5, line 11, by deleting "***plan***" and inserting "***case***" in lieu thereof;

On page 5, beginning on line 22 and continuing on line 23, by deleting "***subsection (2) of this section***" and inserting "***paragraph (b) of this subsection***";

On page 5, line 24, by inserting "***, immediately upon the completion of the study,***" after "***Submit***";

On page 5, line 25 by deleting "***prior to November 1, 2002,***";

On page 6, line 2, by deleting "***plan***" and inserting "***case***" in lieu thereof;

On page 7, line 23, by inserting "***the secretary of the Cabinet for Health Services, the Commissioner of the Office for the New Economy,***" after "***Governor,***"; and

On page 8, line 16, by deleting "***The Economic Development Cabinet***" and inserting "***The Governor's Office for Technology***" in lieu thereof;

On page 9, by deleting lines 12 through 20 in their entirety and inserting the following in lieu thereof:

"(1) The ***Kentucky e-Health and*** Telehealth Board is created and placed for administrative purposes under the Governor's Office for Technology.~~[This nine (9) member board shall consist of the:~~"; and

On page 10, beginning on line 15 and continuing on line 16, by deleting "***Governor's Office of Technology***" and inserting "***Governor's Office for Technology***" in lieu thereof.

The Committee Amendment No. 2 to **HB 375** is as follows:

On page 2, by deleting lines 23 and 24 in their entirety;

On page 2, line 25, by deleting "***(c)***" and inserting "***(a)***" in lieu thereof;

On page 2, line 26, by deleting "***(d)***" and inserting "***(b)***" in lieu thereof;

On page 2, line 27, by deleting "***(e)***" and inserting "***(c)***" in lieu thereof;

On page 3, line 2, by deleting "***(f)***" and inserting "***(d)***" in lieu thereof;

On page 3, line 3, by deleting "***(g)***" and inserting "***(e)***" in lieu thereof;

On page 3, line 4, by deleting "***(h)***" and inserting "***(f)***" in lieu thereof;

On page 3, line 5, by deleting "***(i)***" and inserting "***(g)***" in lieu thereof;

On page 3, line 6, by deleting "***(j)***" and inserting "***(h)***" in lieu thereof;

On page 3, line 7, by deleting "***(k)***" and inserting "***(i)***" in lieu thereof;

On page 3, line 8, by deleting "***(l)***" and inserting "***(j)***" in lieu thereof;
On page 3, line 10, by deleting "***(m)***" and inserting "***(k)***" in lieu thereof;
On page 3, line 11, by deleting "***(n)***" and inserting "***(l)***" in lieu thereof;
On page 3, line 12, by deleting "***(o)***" and inserting "***(m)***" in lieu thereof;
On page 3, line 14, by deleting "***(p)***" and inserting "***(n)***" in lieu thereof;
On page 3, line 15, by deleting "***(q)***" and inserting "***(o)***" in lieu thereof;
On page 3, line 16, by deleting "***(r)***" and inserting "***(p)***" in lieu thereof;
On page 14, line 4, by deleting "***and***";
On page 14, line 6, by deleting the period and inserting "***; and***" after "***Incorporated***"; and
On page 14, by inserting the following between lines 6 and 7:
"***(g) One (1) representative of a hospital.***".

The Committee on Tourism reported **HB 372** and **HJR 30** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 372, AN ACT relating to tourism development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 148.851 is amended to read as follows:

As used in KRS 139.536 and KRS 148.851 to 148.860, unless the context clearly indicates otherwise:

(1) "Agreement" means a tourism attraction agreement entered into, pursuant to KRS 148.859, on behalf of the authority and an approved company on or before June 30, 2002, with respect to a tourism attraction project;

(2) "Approved company" means any eligible company approved by the secretary of the Tourism Development Cabinet and the authority pursuant to KRS 148.859 that is seeking to undertake a tourism attraction project;

(3) "Approved costs" means:

(a) Obligations incurred for labor and to vendors, contractors, subcontractors, builders, suppliers, deliverymen, and materialmen in connection with the acquisition, construction, equipping, and installation of a tourism attraction project;

(b) The costs of acquiring real property or rights in real property and any costs incidental thereto;

(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of the acquisition, construction, equipping, and installation of a tourism attraction project which is not paid by the vendor, supplier, deliveryman, contractor, or otherwise provided;

(d) All costs of architectural and engineering services, including, but not limited to: estimates, plans and specifications, preliminary investigations, and supervision of construction and installation, as well as for the performance of all the duties required by or consequent to the acquisition, construction, equipping, and installation of a tourism attraction project;

(e) All costs required to be paid under the terms of any contract for the acquisition, construction, equipping, and installation of a tourism attraction project;

(f) All costs required for the installation of utilities, including but not limited to: water, sewer, sewer treatment, gas, electricity and communications, and including off-site construction of the facilities paid for by the approved company; and

(g) All other costs comparable with those described in this subsection;

(4) "Authority" means the Kentucky Tourism Development Finance Authority as set forth in KRS 148.850;

(5) "Crafts and products center" means a facility primarily devoted to the display, promotion, and sale of Kentucky products, and at which a minimum of eighty percent (80%) of the sales occurring at the facility are of Kentucky arts, crafts, or agricultural products;

(6) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other entity operating or intending to operate a tourism attraction project, whether owned or leased, within the Commonwealth that meets the standards promulgated by the secretary of the Tourism Development Cabinet pursuant to KRS 148.855. An eligible company may operate or intend to operate directly or indirectly through a lessee;

(7) "Entertainment destination center" means a facility containing a minimum of two hundred thousand (200,000) square feet of building space adjacent or complementary to an existing tourism attraction, an approved tourism attraction project, or a major convention facility, and which provides a variety of entertainment and leisure options that contain at least one (1) major themed restaurant and at least three (3) additional entertainment venues, including, but not limited to, live

entertainment, multiplex theaters, large format theaters, motion simulators, family entertainment centers, concert halls, virtual reality or other interactive games, museums, exhibitions, or other cultural and leisure time activities. Entertainment and food and drink options shall occupy a minimum of sixty percent (60%) of total gross area available for lease, and other retail stores shall occupy no more than forty percent (40%) of the total gross area available for lease;

(8) "Final approval" means the action taken by the authority authorizing the eligible company to receive inducements under KRS 139.536 and KRS 148.851 to 148.860;

(9) "Inducements" means the Kentucky sales tax refund as prescribed in KRS 139.536;

(10) "Preliminary approval" means the action taken by the authority conditioning final approval by the authority upon satisfaction by the eligible company of the requirements of KRS 139.536 and KRS 148.851 to 148.860;

(11) "State agency" means any state administrative body, agency, department, or division as defined in KRS 42.005, or any board, commission, institution, or division exercising any function of the state that is not an independent municipal corporation or political subdivision;

(12) "Tourism attraction" means a cultural or historical site, a recreation or entertainment facility, an area of natural phenomenon or scenic beauty, a Kentucky crafts and products center, or an entertainment destination center. A tourism attraction shall not include any of the following:

(a) Lodging facilities, unless:

1. The facilities constitute a portion of a tourism attraction project and represent less than fifty percent (50%) of the total approved cost of the tourism attraction project, or the facilities are to be located on recreational property owned or leased by the Commonwealth or federal government and the facilities have received prior approval from the appropriate state or federal agency;[~~ or~~]

2. The facilities involve the restoration or rehabilitation of a structure that is listed individually in the National Register of Historic Places or are located in a National Register Historic District and certified by the Kentucky Heritage Council as contributing to the historic significance of the district, and the rehabilitation or restoration project has been approved in advance by the Kentucky Heritage Council;

3. The facilities involve the construction of a full-service lodging facility having not less than four hundred and fifty (450) guest rooms; or

4. The facilities involve a restoration, rehabilitation, or upgrade project exceeding ten million dollars ($10,000,000).

(b) Facilities that are primarily devoted to the retail sale of goods, other than an entertainment destination center, a Kentucky crafts and products center, or a tourism attraction where the sale of goods is a secondary and subordinate component of the attraction; and

(c) Recreational facilities that do not serve as a likely destination where individuals who are not residents of the Commonwealth would remain overnight in commercial lodging at or near the tourism attraction project; and

(13) "Tourism attraction project" or "project" means the acquisition, including the acquisition of real estate by a leasehold interest with a minimum term of ten (10) years, construction, and equipping of a tourism attraction; the construction, and installation of improvements to facilities necessary or desirable for the acquisition, construction, and installation of a tourism attraction, including but not limited to surveys; installation of utilities, which may include water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; and off-site construction of utility extensions to the boundaries of the real estate on which the facilities are located, all of which are to be used to improve the economic situation of the approved company in a manner that shall allow the approved company to attract persons.

HJR 30, A JOINT RESOLUTION directing the Tourism Development Cabinet to study the feasibility of expanding West Virginia's Hatfield-McCoy Trail into eastern Kentucky.

WHEREAS, the Hatfield-McCoy Recreation Area, a multi-use, 300 mile recreational trail system in eight counties of southern West Virginia, opened in October 2000, with proposed expansion into Virginia and Kentucky, to ultimately encompass 2,000 miles of trail; and

WHEREAS, the White House Millennium Council designated the Hatfield-McCoy Recreation Area as one of 16 National Millennium Trails, recognized for celebrating America's past and embracing its future; and

WHEREAS, in the Trailhead Facilities Economic Impact Study, the United States Army Corps of Engineers estimates that the initial 300 mile trail system will create 1,572 new jobs and each year bring 303,424 visitors to the area and $51,730,000 to the local economy; and

WHEREAS, eastern Kentucky's rugged natural beauty, rich Hatfield-McCoy heritage, need for economic stimulus, and lack of multi-use trails provide an ideal environment for expansion of the Hatfield-McCoy Recreation Area;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Tourism Development Cabinet shall conduct a comprehensive study of expanding West Virginia's Hatfield-

McCoy Recreation Area into eastern Kentucky. In its study, the Tourism Development Cabinet shall consider the feasibility and cost of:

(1) Establishing this trail system on private land in eastern Kentucky;
(2) Maintaining this trail system;
(3) Insuring against the liability of public recreational use of private land; and
(4) Incorporating this trail system into West Virginia's existing Hatfield-McCoy Recreation Area.

Based on its findings, the Tourism Development Cabinet shall recommend entities best suited to administer the Kentucky portion of the Hatfield-McCoy Recreation Area.

Section 2. The study shall begin not later than August 1, 2002, and the Tourism Development Cabinet shall submit its report and recommendations to the Legislative Research Commission for distribution to appropriate committees not later than September 1, 2003.

Calendar

HB 367, SCR 17, HB 174, HB 280, SB 54, HB 466, HB 488, HCR 70, HCR 71, HCR 72, HB 73, HB 247, HB 313, HB 322, HB 349, HB 449, HCR 42, and **HCR 62** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 314, HB 412, HB 458, HB 299, HB 322, HB 349, HB 449, HB 466, HB 488, HCR 42, HCR 62, HCR 70, HCR 71, HCR 72, SB 54** have been posted for passage in the Orders of the Day for February 7, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 369, HB 395**

Orders of the Day

HB 106, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative C. Belcher moved the adoption of the Committee Substitute to **HB 106**. Agreed.

Representative C. Belcher moved the adoption of Floor Amendment No 1. to the Committee Substitute to **HB 106**. Agreed.

Representative C. Belcher moved that **HB 106**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 6, 2002, roll call on **HB 106** - Appendix.)

HB 106, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative C. Belcher moved that the vote by which **HB 106**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 244, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wilkey moved the adoption of Floor Amendment No. 1 to **HB 244**. Agreed.

Representative Wilkey moved that **HB 244**, as amended, be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 6, 2002, roll call on **HB 244** - Appendix.)

HB 244, as amended, was passed and the title agreed to.

Representative Wilkey moved that the vote by which **HB 244**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 149, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Baugh moved the adoption of Floor Amendment No. 1 to **HB 149**. Agreed.

Representative Baugh moved that **HB 149**, as amended, be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 6, 2002, roll call on **HB 149** - Appendix.)

HB 149, as amended, was passed and the title agreed to.

Representative Baugh moved that the vote by which **HB 149**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 416 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Callahan moved that **HB 416** be passed.

On the roll call the vote was: **Yeas 85, Nays 7**. (See February 6, 2002, roll call on **HB 416** - Appendix.)

HB 416 was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 416** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 445 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Geveden moved that **HB 445** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 6, 2002, roll call on **HB 445** - Appendix.)

HB 445 was passed and the title agreed to.

Representative Geveden moved that the vote by which **HB 445** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 161 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that the motion to take **HB 161** from the Orders of the Day be withdrawn. Agreed

HB 201, with Committee Substitute and Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nunn moved the adoption of the Committee Substitute to **HB 201**. Agreed.

Representative Nunn moved that **HB 201**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 6, 2002, roll call on **HB 201** - Appendix.)

HB 201, by way of Committee Substitute, was passed.

Representative Nunn moved to adopt Committee Amendment No. 1 Title to **HB 201.** Agreed.

Representative Nunn moved that the vote by which **HB 201**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 321, with Committee Substitute and Floor Amendment, attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Graham moved the adoption of the Committee Substitute to **HB 321**. Agreed.

Representative Graham moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 321**. Agreed.

Representative Graham moved that **HB 321**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 6, 2002, roll call on **HB 321** - Appendix.)

HB 321, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Graham moved that the vote by which **HB 321**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved to suspend the rules for Introduction of bills and Reports of Committees. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 605, by Representative Haydon: AN ACT relating to souvenir retail liquor licenses.

HB 606, by Representatives Callahan, Simpson, Walton, Marcotte, Draud, R. Adams, McKee, Kerr, Reinhardt, and Fischer: AN ACT relating to tax credits for historic property rehabilitation and construction.

HB 607, by Representative Bowling: AN ACT relating to the designation of the official state outdoor drama theatre.

HB 608, by Representative Draud: AN ACT relating to the Kentucky Housing Corporation.

HB 609, by Representative Denham, Barrows, and Riggs: AN ACT relating to wages and hours.

HB 610, by Representative Bratcher: AN ACT relating to kidnapping.

HB 611, by Representatives Nunn and Crimm: AN ACT relating to the closure of public offices.

HB 612, by Representatives Adkins and Hall: AN ACT relating to revenue and taxation and making an appropriation therefor.

HB 613, by Representative Damron: AN ACT relating to the Kentucky Military History Museum and Committee.

Report of Committees (Continued)

The Committee on Licensing and Occupations reported **HB 116, HB 436, HB 456,** and **HB 511,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 116, AN ACT relating to charitable gaming.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 238.570 is amended to read as follows:

(1) A fee is imposed on charitable gaming in the amount of four-tenths of one percent (0.4%) of gross receipts derived from all charitable gaming conducted by charitable organizations required to be licensed in the Commonwealth of Kentucky. Each licensed charitable organization shall remit to the department all moneys due on a quarterly basis. Failure by a licensed charitable organization to timely remit the fee required under this subsection upon notice of delinquency shall constitute grounds for disciplinary action in accordance with KRS 238.560.

(2) The charitable gaming regulatory account is hereby created as a revolving account within the agency revenue fund and under the control of the Public Protection and Regulation Cabinet. All revenues generated from the fee levied in subsection (1) of this section from license fees and from administrative fines imposed by the department shall be deposited in this account. Moneys in this account shall be expended by the department only in the administration and enforcement of provisions of this chapter. No later than July of each odd-numbered year, the department shall assess the amount of funds raised by all fees levied in this chapter and shall make recommendations to the Legislative Research Commission concerning legislative amendments to adjust fee rates as indicated by the assessment.

(3) ***An additional fee is imposed on charitable gaming in the amount of one-tenth of one percent (0.1%) of the gross receipts derived from all charitable gaming conducted by charitable organizations required to be licensed in the Commonwealth of Kentucky, which possess tax exempt status under 26 U.S.C. sec. 501(c)(19) or are covered by a group ruling issued by the Internal Revenue Service under authority of that section. Each licensed charitable organization possessing tax exempt status under 26 U.S.C. sec. 501(c)(19) shall remit all moneys due under this subsection to the Kentucky veterans program trust fund established in KRS 40.460 on a quarterly basis.***

(4) If the provision of subsection (1) of this section that imposes a fee of four-tenths of one percent (0.4%) of all gross receipts derived from all charitable gaming conducted by licensed charitable organizations is declared unconstitutional in a final decision of the highest appellate court of the Commonwealth of Kentucky, for the privilege of conducting charitable gaming in the Commonwealth of Kentucky, there is hereby levied upon the use, sale, rental, lease, or distribution by sale or by gift of charitable gaming supplies and equipment a fee of ten percent (10%) of the value of all supplies and equipment used, sold, rented, leased, or otherwise distributed by a licensed distributor to any licensed charitable organization in the Commonwealth of Kentucky.

(a) Every distributor of charitable gaming supplies and equipment shall pay and report the fee levied pursuant to this subsection on or before the twentieth day of the calendar month next succeeding the month in which possession of the charitable gaming supplies and equipment is transferred from the distributor to the licensed charitable organization, in accordance with administrative regulations promulgated by the department.

(b) The department may require a bond from distributors in accordance with the administrative regulations promulgated by the department.

(5)[~~(4)~~] If the alternative license fee schedule as provided in subsection ***(4)***[~~(3)~~] of this section is activated due to a final decision of the highest appellate court in the Commonwealth of Kentucky as provided in subsection ***(4)***[~~(3)~~] of this section, the distributor's license fee as provided in KRS 238.530(1) shall become inapplicable.

HB 436, AN ACT relating to public health.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 438.330 is amended to read as follows:

(1) The Department of Alcoholic Beverage Control and the Department of Agriculture shall carry out annually-conducted random, unannounced inspections of retail establishments where tobacco products are sold or distributed for the purpose of enforcing the provisions of KRS 438.305 to 438.340. The inspections shall be conducted to the extent necessary to assure that the Commonwealth remains in compliance with Public Law 102-321 and applicable federal regulations. The departments shall also ensure that targeted inspections are conducted at those retail establishments where, and at those times when, persons under the age of eighteen (18) years are most likely to purchase tobacco products. Persons under the age of eighteen (18) years may be used to test compliance with the provisions of KRS 438.305 to 438.340 only if the testing is conducted under the direct supervision of the Department of Alcoholic Beverage Control, sheriff, or chief of police, or their employees, and written parental consent has been obtained. The Department of Alcoholic Beverage Control shall ***provide***[~~prepare~~] annually ***to the Cabinet for Health Services any information necessary for the preparation of***[~~, for submission by the Governor to the Secretary of the United States Department of Health and Human Services,~~] the report ***that the Governor is*** required ***to submit to the Secretary of the United States Department of Health and Human Services*** by Section 1926 of Subpart 1 of Part B of Title XIX of the Federal Public Health Service Act.

(2) The Department of Alcoholic Beverage Control shall develop and implement the survey sampling methodologies to carry out the inspections as described in this section.

Section 2. KRS 438.337 is amended to read as follows:

(1) Except for violations of the provisions of KRS 438.311, 438.313, and 438.315 by a juvenile, which shall be under the jurisdiction of the juvenile session of the District Court, the Department of Alcoholic Beverage Control shall carry out the enforcement provisions of KRS 438.305 to 438.340.

(2) The Department of Alcoholic Beverage Control shall be entitled to the revenue produced by one-twentieth of one cent ($0.0005) of the three-cent ($0.03) per pack revenue collected by the Revenue Cabinet from the state excise tax on the sale of cigarettes as imposed by KRS 138.140 to be deposited in[~~ a trust and agency account created in~~] the State Treasury, and to keep fifty percent (50%) of any fines collected under KRS 438.305 to 438.340 to offset the costs of enforcement of KRS 438.305 to 438.340.

(3) The Department of Alcoholic Beverage Control shall be responsible for maintaining statistics for compilation of required reports to be submitted to the United States Department of Health and Human Services.

(4) The Department of Alcoholic Beverage Control shall devise a plan and time frame for enforcement to determine by random inspection if the percentage of retailers or distributors making illegal sales to minors does or does not exceed federal guidelines preventing tobacco sales to minors.

HB 456, AN ACT relating to certified public accountants.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 325.261 is amended to read as follows:

The license of "certified public accountant" shall be granted by the board to any person who satisfies the following requirements:

(1) Is no less than eighteen (18) years of age;

(2) Is of good moral character;

(3) Meets the following educational credentials prior to applying for the examination:

  (a) Has a baccalaureate degree or master's degree conferred by a college or university recognized by the board with a major or concentration program in accounting or its equivalent, as defined in administrative regulations promulgated by the board; or

  (b) Beginning in the year 2000 with a new examination applicant, approved to sit for the first examination of the year or subsequent examination, has completed one hundred fifty (150) college semester hours which include a baccalaureate degree conferred by a college or university recognized by the board with a major or concentration program in accounting or its equivalent, as defined in administrative regulations promulgated by the board;

(4) Has one (1) year of accounting or attest experience obtained while employed in an accounting or auditing position in public practice, academia, industry, or government that shall be verified by a certified public accountant who, during the time being verified, held an active license to practice from any state;

(5) Passes a board-approved~~[written]~~ examination in accounting, auditing, and other related subjects as the board deems appropriate. To be eligible to apply for the examination, a person shall first satisfy requirements of subsections (1), (2), and (3) of this section; and

(6) Submits a complete application for a license to practice as a certified public accountant in accordance with KRS 325.330.

Section 2. KRS 325.270 is amended to read as follows:

(1) Examinations provided for in this chapter shall be ***authorized***~~[held]~~ by the board~~[as often as may be necessary in the opinion of the board, but not less frequently than once each year]~~.

(2) The board may by administrative regulation adopt standards ***and fees*** governing the ***application and all examination policies and procedures***~~[reexamination of candidates. These standards shall include the granting of credit for those portions of the examination on which the candidate achieved a passing score as determined by the board, if a minimum score as determined by the board was achieved on the failed portion(s) of the examination]~~.

(3) The board may accept examination results from other states if:

  (a) It is established that the examination is the same or substantially similar to the one adopted by the board; and

  (b) The candidate has met the prerequisite examination requirements of this chapter.

~~[(4) The board shall charge each candidate a fee not to exceed two hundred dollars ($200) for the initial examination. This fee shall be payable by the candidate at the time prescribed by administrative regulation of the board. An additional fee not to exceed fifty dollars ($50) for each subject or part shall be charged for reexamination.~~

~~(5) An out-of-state candidate sitting for the examination in Kentucky shall be charged a proctoring fee not to exceed one hundred dollars ($100).]~~

Section 3. KRS 325.380 is amended to read as follows:

(1) No person shall assume or use the title or designation "certified public accountant," "public accountant," or the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant, unless the person holds a license issued under this chapter.

(2) No firm shall assume or use the title or designation "certified public accountants," "public accountants," or the abbreviation "CPA's" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of certified public accountants, unless the firm holds a license issued under this chapter which has not been revoked or suspended, and all offices of the firm in this state are maintained as required under this chapter.

(3) No individuals or firm shall assume or use the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited auditor," "accounting practitioner," "accredited accountant," "expert accountant," "expert auditor," "certified auditor," or any other title or designation likely to be confused with "certified public accountant" and "public accountant" or any of the abbreviations "CA," "AP," "PA," "RA,"

"LA," or "AA" or similar abbreviations likely to be confused with "CPA."

(4) No person or firm shall sign or affix his name or a firm name to any document or prepare or issue any document which indicates that the person or firm performed the attest function in the preparation of the documents or that includes any language which indicates that he or the firm has expert knowledge in the use of the attest function, unless the person or firm holds a license to practice issued under this chapter. This prohibition shall be applicable to issuance by any unlicensed person or firm of a report using any form of language conventionally used by licensees with respect to a compilation of financial statements. The board shall issue safe harbor language, to be defined by the promulgation of administrative regulations, that nonlicensees may use in connection with a compilation of financial information. The provisions of this subsection shall not prohibit any officer, employee, partner, or principal of any organization from affixing his signature to any statement or report in reference to the financial affairs of the organization with any wording designating the position, title, or office which he holds in the organization, nor shall the provisions of this subsection prohibit any act of a public official or public employee in the performance of his duties.

(5) No person shall assume or use the title or designation "certified public accountant" or "public accountant" in conjunction with names indicating or implying that there is a firm, or in conjunction with the designation "and Company" or "and Associates" or a similar designation if there is in fact no bona fide firm licensed under this chapter.

(6)[~~ No firm performing functions permitted by this chapter shall use designations "and Company" or "and Associates" or a similar designation, if there is in fact only one (1) licensee with an ownership interest.~~

~~(7)~~] No person or firm holding a license under this chapter shall use a professional or firm name or designation which contains the names of any nonlicensees, is misleading as to the legal form of the firm, or as to the persons who are partners, officers, shareholders, or any other owners of the firm, or as to any other matters. If more than one (1) certified public accountant has an ownership interest in the firm, the names of one (1) or more deceased, retired, or withdrawn partners, shareholders, or other certified public accountants with an ownership interest may be included in the name of a firm or its successor.

(7)[~~(8)~~] If the death or retirement of a certified public accountant results in a firm having only one (1) certified public accountant with an ownership interest, the board may permit the firm to continue to use the firm name for no more than two (2) years from the certified public accountant's respective death or retirement.

HB 511, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 241.060 is amended to read as follows:

The board shall have the following functions, powers, and duties:

(1) To promulgate reasonable administrative regulations governing procedures relative to the applications for and revocations of licenses, the supervision and control of the use, manufacture, sale, transportation, storage, advertising, and trafficking of alcoholic beverages, and all other matters over which the board has jurisdiction. Administrative regulations need not be uniform in their application but may vary in accordance with reasonable classifications;

(2) To limit in its sound discretion the number of licenses of each kind or class to be issued in this state or any political subdivision, and restrict the locations of licensed premises. To this end, the board may make reasonable division and subdivision of the state or any political subdivision into districts. Administrative regulations relating to the granting, refusal, and revocation of licenses may be different within the several divisions or subdivisions;

(3) To hold hearings ***and render decisions on cases*** in accordance with the provisions of KRS Chapter 13B. The department may pay witnesses the per diem and mileage provided in KRS 421.015;

(4) To conduct hearings and appeals under KRS 241.150, 241.200, 243.470, and 243.520 and render final orders upon the subjects of the hearings and appeals;

(5) To destroy evidence in the department's possession after all administrative and judicial proceedings are conducted;

(6) To suspend, revoke, or cancel for cause, after a hearing in accordance with KRS Chapter 13B, any license issued under KRS 243.020 to 243.670;

(7) To prohibit the issuance of a license for the premises until the expiration of two (2) years from the time the offense was committed if a violation of KRS Chapter 241, KRS 243.020 to 243.670, or KRS Chapter 244 has taken place on the premises which the owner knew of or should have known of, or was committed or permitted in or on the premises owned by the licensee;[~~ and~~]

(8) To suspend a license for any cause for which the board is authorized to exercise its discretion as to revoking a license*;*

(9) To require a licensee whose license is conditioned on selling a certain percentage or dollar amount of food to submit to food audits if the department reasonably believes that the minimum percentage of food sales set out in statute or administrative regulations promulgated by the department is not being or has not been met. The costs of the audit shall be borne by the licensee. The audit shall be conducted in accordance with administrative regulations promulgated by the board; and

(10) To require a licensee to undergo mandatory training in lieu of license suspension or revocation. The training may be

used as an alternative to suspension or revocation if the violations are due, in part, to the licensee's inadequate knowledge and can be rectified through training.

Section 2. KRS 243.033 is amended to read as follows:

(1) As used in this section, unless the context requires otherwise, "caterer" means a corporation, partnership, or individual that operates the business of a food service professional by preparing food and beverages in a licensed and inspected commissary ***or banquet hall***, ***and*** transporting the food and beverages to a location selected by the customer away from the commissary premises ***or serving the food at the caterer's banquet hall***, and serving the food and beverages to the customer's guests.

(2) A caterer's license may be issued as a supplementary license to a caterer that holds a retail package liquor license or a distilled spirits and wine by the drink retail license.

(3) The caterer's license may be issued to a caterer, that does not meet the requirements of subsection (2) of this section, for the premises that serves as the caterer's commissary. The alcoholic beverage stock of the caterer shall be kept under lock and key at ***a location approved by the state administrator***[~~the licensed premises~~] during the time that the alcoholic beverages are not being used in conjunction with a catered function.

(4) The caterer's license shall authorize the caterer to:

(a) Purchase and store alcoholic beverages in the manner prescribed in KRS 243.250, 243.280, and 244.310;

(b) Transport, sell, serve, and deliver alcoholic beverages by the drink at locations in wet territory away from the licensed premises in conjunction with the catering of food and beverages for a customer and his guests. Distilled spirits and wine may only be transported, sold, served, or delivered in cities of the first, second, or third classes, counties containing cities of the first, second, or third classes, and cities of the fourth class in which the sale of distilled spirits and wine has been adopted pursuant to KRS 242.127;

(c) Receive and fill telephone orders for alcoholic beverages in conjunction with the ordering of food for a function catered by the licensee; and

(d) Receive payment for alcoholic beverages served at a function on a by-the-drink or by-the-function basis. The caterer may bill the host for by-the-function sales of alcoholic beverages in the usual course of the caterer's business.

(5) A caterer licensee shall not cater alcoholic beverages at locations for which retail alcoholic beverage licenses or special temporary licenses have been issued.

(6) A caterer licensee shall not cater distilled spirits and wine on Sunday except in territory in which the Sunday sale of distilled spirits and wine is permitted under the provisions of KRS 244.290. A caterer licensee shall not cater malt beverages on Sunday except in territory in which the Sunday sale of malt beverages is permitted under the provisions of KRS 244.480.

(7) The location at which alcoholic beverages are sold, served, and delivered by a caterer, pursuant to this section, shall not constitute a public place for the purpose of KRS Chapter 222. If the location is a multi-unit structure, only the unit or units at which the function being catered is held shall be excluded from the public place provisions of KRS Chapter 222.

(8) The caterer licensee shall post a copy of his caterer's license at the location of the function for which alcoholic beverages are catered.

(9) The name and license numbers of the caterer shall be painted, in a contrasting color, in a form prescribed by the board by promulgation of an administrative regulation, upon all vehicles used by the caterer to transport alcoholic beverages.

(10) All restrictions and prohibitions applying to a distilled spirits and wine retail drink licensee not inconsistent with this section, shall apply to the caterer licensee.

(11) The caterer licensee shall submit a list of functions catered or to be catered including location, host, date, and time upon request of the board.

Section 3. KRS 243.230 is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second, or third class, or elsewhere in counties containing a city of the first, second, or third class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(2) Notwithstanding any other provision of law, a liquor by the drink license to sell distilled spirits and wine for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held under KRS 242.127 and 242.129 were in favor of the proposition voted upon if the city has an adequate police force under KRS 95.710 and 95.760 to 95.787.

(3) Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first, second, or third class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(4) Notwithstanding subsection (3) of this section, the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and malt beverages, where applicable, and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store, or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed.

(5) No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries***, not including soft drinks and candy,*** or gasoline and lubricating oil.

Section 4. KRS 243.270 is amended to read as follows:

(1) A special private club license may be issued to***:***

(a) Any nonprofit social, fraternal, military, or political organization or club, which for more than one (1) year prior to the date of application has maintained and operated a club room or rooms from which the general public is excluded***; or***

(b) Any fraternal society, order, or association which possesses tax exempt status under 26 U.S.C. sec. 501(c)(8) or 501(c) (10), or is covered under a group ruling issued by the Internal Revenue Service under authority of those sections.

(2) This license shall authorize the licensee to exercise the privilege of a malt beverage or a distilled spirits and wine retail drink licensee, or both, at the designated premises if the general public is excluded.

Section 5. KRS 243.360 is amended to read as follows:

(1) Any person, corporation, partnership, or any other entity, except an applicant for the same license for the same premises, or an applicant for an out-of-state brewer's license, supplemental bar license, extended hours supplemental license, a special agent or solicitor's license, a bonded warehouse license, a freight forwarding license, a storage warehouse license, an industrial alcohol license, a nonindustrial alcohol license, a storage warehouse license, a nonbeverage license, a vendor license, a transporter's license, a Sunday license, ***a hotel-in-room license,*** or a temporary drink license shall, before applying for a license under KRS 243.030 and 243.040, advertise by publication under KRS 424.130(1)(b) his or her intention to apply for a license.

(2) The notice shall conform in all material respects to the following requirements:

(a) The notice shall state: the name and address of the applicant if the applicant is an individual, the name and address of each partner and the name of the business and its address if the applicant is a partnership, and the name and address of each principal officer and director and the name and business address of the corporation if the applicant is a corporation;

(b) The notice shall specifically state the location of the premises for which the license is sought and the type of license being requested; and

(c) The notice shall state the date the application will be filed and shall contain the following statement: "Any person, association, corporation, or body politic may protest the granting of the license by writing the Department of Alcoholic Beverages, 1003 Twilight Trail, Suite A-2, Frankfort, Kentucky 40601, within thirty (30) days of the date of legal publication."

(3) Any protest received after the thirty (30) day period has expired shall not be considered a valid legal protest by the board.

Section 6. KRS 243.380 is amended to read as follows:

(1) Applications for licenses provided for in KRS 243.030 and 243.050 shall be made to the administrator of the distilled spirits unit. Applications for licenses provided for in KRS 243.040 shall be made to the administrator of the malt beverage unit.

(2) All applications shall be on forms furnished by the department. They shall be verified and shall set forth in detail such information concerning the applicant and the premises for which the license is sought as the board by regulation requires. Each application shall be accompanied by ***payment. Payment of the license fee may be by***[~~a~~] certified check, cash***,***[~~ or~~] a postal or express money order***, or any other acceptable payment methods established in administrative regulations promulgated by the board***[~~for the license fee~~]. Promptly upon receipt thereof the board shall pay the same into the State Treasury, giving the Revenue Cabinet copies of the pay-in vouchers and such other supporting data as the Revenue Cabinet may require for revenue control purposes.

Section 7. KRS 243.480 is amended to read as follows:

(1) Upon proceedings for the revocation of any license under KRS 243.520, the Alcoholic Beverage Control Board, or the local alcoholic beverage administrator, may in its or his or her discretion order a suspension of the license for any cause for which it may, but is not required to, revoke the license under the provisions of KRS 243.490 and 243.500. However, the licensee may ***alternatively do either or both of the conditions imposed in paragraphs (a) and (b) of this subsection***[~~have the alternative~~], subject to the approval of the Alcoholic Beverage Control Board or the local alcoholic beverage administrator***:***

(a) Pay~~[, to pay]~~ in lieu of part or all of the days of any suspension period, a sum as follows: Distillers, rectifiers, vintners, brewers, and blenders, one thousand dollars ($1,000) per day; wholesale liquor licensees, four hundred dollars ($400) per day; wholesale beer licensees, four hundred dollars ($400) per day; retail licensees authorized to sell distilled spirits, wine, or beer by the package or drink, fifty dollars ($50) per day; and all remaining licensees, fifty dollars ($50) per day***; or***

(b) Participate in mandatory training relating to Kentucky laws on the sale of alcoholic beverages in lieu of part or all of the days of any suspension period. The content of the training and the number of hours required, shall be established in administrative regulations promulgated by the department and shall include, but not be limited to

1. An overview of the affect of alcohol on the person;

2. Procedures for identifying and refusing persons who should not be served;

3. Procedures for recognizing and challenging the authenticity of identification documents; and

4. The legal consequences of selling alcohol to anyone who is underage.

(2) Payments in lieu of suspension collected by the Alcoholic Beverage Control Board shall be deposited in the State Treasury and credited to the general expenditure fund. Payments in lieu of suspension collected by local alcoholic beverage administrators shall be deposited and used as local alcoholic beverage license tax receipts are deposited and used.

(3) Appeals from orders of suspension and the procedure thereon shall be the same as are provided for orders of revocation in KRS Chapter 13B.

Section 8. KRS 244.090 is amended to read as follows:

(1) A person holding any license under KRS 243.020 to 243.670 shall not knowingly employ in connection with his or her business any person who:

(a) Has been convicted of any felony within the last two (2) years. The provisions of this paragraph shall apply to any new applicant for a license issued under this chapter after July 15, 1998, but shall not apply to renewals of licenses that were originally issued prior to July 15, 1998, or supplemental licenses related to an original license if the original license was issued prior to July 15, 1998;

(b) Has been twice convicted of any misdemeanor or offense directly or indirectly attributable to the use of intoxicating liquors within the last two (2) years;

(c) Is under the age of twenty (20) years, unless the person is employed:

1. In a bottling house or room of a licensed distiller, vintner, brewer, or rectifier;

2. In an office of a wholesaler or manufacturer that is maintained in a building separate from the warehouses or factory or as provided in KRS 244.087; or

3. In any ***other establishment***~~[of the following establishments]~~, if the employment is in a capacity that does not involve the sale***, solicitation,*** or serving of alcoholic beverages ***by the drink; or***~~[:~~

~~a. A restaurant that derives at least fifty percent (50%) of its gross sales from the sale of food for consumption on the licensed premises; or~~

~~b. Any other establishment with alcoholic beverage sales not exceeding fifty percent (50%) of its gross sales.]~~

(d) Within two (2) years prior to the date of his employment, has had any license issued under KRS 243.020 to 243.670 or under any other act or ordinance relating to the regulation of the manufacture, sale, or transportation of alcoholic beverages revoked for cause.

(2) The provisions of paragraphs (a) and (b) of subsection (1) of this section shall not apply if the employee's duties do not involve the sale, service, delivery, or traffic in alcoholic beverages at the licensed premises.

(3) Violation of this section shall subject both employer and employee to penalties provided in this chapter and shall be cause for revocation of license.

Section 9. KRS 244.290 is amended to read as follows:

(1) A premises that is licensed to sell distilled spirits or wine at retail shall not be permitted to remain open during the hours the polls are open on any regular or primary election day unless the licensee provides a separate locked department in which all stock of distilled spirits and wine are kept during the hours the polls are open.

(2) In any county containing a city of the first or second class in which the sale of distilled spirits and wine by the drink is permitted under KRS Chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS Chapter 242.

(3) Except as provided in KRS 243.050, a premise for which there has been granted a license for the sale of distilled spirits or wine at retail ***by the drink*** shall not remain open for any purposes between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday, unless:

(a) The licensee provides a separate locked department in which all stocks of distilled spirits and wine are kept during those times; or

(b) The legislative body of a city of the first, second, third, or fourth class, or the fiscal court of a county containing a city of the first, second, third, or fourth class, has otherwise established the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries.

(4) In any county containing a city of the first, second, or third class or any city located therein in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the legislative body of the city or county may, by ordinance, permit the sale of distilled spirits and wine by the drink on Sunday from 1 p.m. until the designated closing hour of that locality at hotels, motels, or restaurants which:

(a) Have dining facilities with a minimum seating capacity of one hundred (100) people at tables; and

(b) Receive at least fifty percent (50%) or more of their gross annual income from the dining facilities from the sale of food.

(5) In any county containing a city of the first class or in any city located therein in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the distilled spirits administrator may issue a license to holders of a distilled spirits and wine retail drink quota license or a special private club license which permits the sale of distilled spirits and wine by the drink on Sunday from 1 p.m. until the prevailing time for that locality.

(6) Any city of the fourth class or county containing a city of the fourth class which has enacted a comprehensive, regulatory ordinance relating to the licensing and operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages by the drink under KRS 242.185(1), may also regulate and provide for the limited sale of distilled spirits and wine by the drink on Sundays if:

(a) The limited Sunday drink licenses are issued only to those hotels, motels, inns, or restaurants authorized to sell alcoholic beverages by the drink under KRS 242.185(3); and

(b) The holders of distilled spirits and wine retail drink licenses have applied to the state administrator and meet all other legal requirements for obtaining a limited Sunday liquor by the drink license.

Section 10. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection ***(2)***[~~(3)~~] of this section, no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of midnight and 6 a.m. on any other day.

(2) Except as provided in subsection (3) of this section, no retailer shall sell, give away, [~~or ~~]deliver***, or permit the consumption of*** any malt beverages ***on the licensed premises*** between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on a primary or regular election day***, unless:***.

(a) The licensee provides a separate locked compartment in which all stocks of malt beverages are kept during those times; or

(b) The legislative body of a city of the first, second, third, or fourth class, or the fiscal court of a county containing a city of the first, second, third, or fourth class, has otherwise established the hours and times in which malt beverages may be sold or consumed within its jurisdictional boundaries.

(3) The legislative body of a city of the first, second, third, or fourth class or of a county containing a city of the first, second, third, or fourth class in which traffic in malt beverages is permitted by KRS Chapter 242, shall have the exclusive power to establish the times in which malt beverages may be sold ***or consumed*** within its jurisdictional boundaries, including Sunday sales if the hours so fixed:

(a) Shall not prohibit the sale, gift, or delivery of any malt beverages between 6 a.m. and midnight during any day, except Sunday; and

(b) Prohibit the sale of malt beverages on any primary or regular election day during the hours the polls are open.

The Committee Substitute to **HB 511** is as follows:

HB 511, AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 241.060 is amended to read as follows:

The board shall have the following functions, powers, and duties:

(1) To promulgate reasonable administrative regulations governing procedures relative to the applications for and revocations of licenses, the supervision and control of the use, manufacture, sale, transportation, storage, advertising, and trafficking of alcoholic beverages, and all other matters over which the board has jurisdiction. Administrative regulations need not be uniform in their application but may vary in accordance with reasonable classifications;

(2) To limit in its sound discretion the number of licenses of each kind or class to be issued in this state or any political subdivision, and restrict the locations of licensed premises. To this end, the board may make reasonable division and subdivision of the state or any political subdivision into districts. Administrative regulations relating to the granting, refusal, and revocation of licenses may be different within the several divisions or subdivisions;

(3) To hold hearings ***and render decisions on cases*** in accordance with the provisions of KRS Chapter 13B. The department

may pay witnesses the per diem and mileage provided in KRS 421.015;

(4) To conduct hearings and appeals under KRS 241.150, 241.200, 243.470, and 243.520 and render final orders upon the subjects of the hearings and appeals;

(5) To destroy evidence in the department's possession after all administrative and judicial proceedings are conducted;

(6) To suspend, revoke, or cancel for cause, after a hearing in accordance with KRS Chapter 13B, any license issued under KRS 243.020 to 243.670;

(7) To prohibit the issuance of a license for the premises until the expiration of two (2) years from the time the offense was committed if a violation of KRS Chapter 241, KRS 243.020 to 243.670, or KRS Chapter 244 has taken place on the premises which the owner knew of or should have known of, or was committed or permitted in or on the premises owned by the licensee;~~[and]~~

(8) To suspend a license for any cause for which the board is authorized to exercise its discretion as to revoking a license*;*

(9) To require a licensee whose license is conditioned on deriving a certain percentage of its income from the sale of food to provide additional documentation of its food and alcohol sales in relation to its gross sales if the state administrator reasonably believes that the minimum percentage of food sales required by statute or administrative regulation is not being met by the licensee; and

(10) To require a licensee to undergo mandatory training in lieu of license suspension or revocation. The training may be used as an alternative to suspension or revocation if the violations are due, in part, to the licensee's inadequate knowledge and can be rectified through training.

Section 2. KRS 243.033 is amended to read as follows:

(1) As used in this section, unless the context requires otherwise, "caterer" means a corporation, partnership, or individual that operates the business of a food service professional by preparing food and beverages in a licensed and inspected commissary *or banquet hall*, *and* transporting the food and beverages to a location selected by the customer away from the commissary premises *or serving the food at the caterer's banquet hall*, and serving the food and beverages to the customer's guests.

(2) A caterer's license may be issued as a supplementary license to a caterer that holds a retail package liquor license or a distilled spirits and wine by the drink retail license.

(3) The caterer's license may be issued to a caterer, that does not meet the requirements of subsection (2) of this section, for the premises that serves as the caterer's commissary. The alcoholic beverage stock of the caterer shall be kept under lock and key at the licensed premises *or other location* during the time that the alcoholic beverages are not being used in conjunction with a catered function.

(4) The caterer's license shall authorize the caterer to:

(a) Purchase and store alcoholic beverages in the manner prescribed in KRS 243.250, 243.280, and 244.310;

(b) Transport, sell, serve, and deliver alcoholic beverages by the drink at locations in wet territory away from the licensed premises in conjunction with the catering of food and beverages for a customer and his guests. Distilled spirits and wine may only be transported, sold, served, or delivered in cities of the first, second, or third classes, counties containing cities of the first, second, or third classes, and cities of the fourth class in which the sale of distilled spirits and wine has been adopted pursuant to KRS 242.127;

(c) Receive and fill telephone orders for alcoholic beverages in conjunction with the ordering of food for a function catered by the licensee; and

(d) Receive payment for alcoholic beverages served at a function on a by-the-drink or by-the-function basis. The caterer may bill the host for by-the-function sales of alcoholic beverages in the usual course of the caterer's business.

(5) A caterer licensee shall not cater alcoholic beverages at locations for which retail alcoholic beverage licenses or special temporary licenses have been issued.

(6) A caterer licensee shall not cater distilled spirits and wine on Sunday except in territory in which the Sunday sale of distilled spirits and wine is permitted under the provisions of KRS 244.290. A caterer licensee shall not cater malt beverages on Sunday except in territory in which the Sunday sale of malt beverages is permitted under the provisions of KRS 244.480.

(7) The location at which alcoholic beverages are sold, served, and delivered by a caterer, pursuant to this section, shall not constitute a public place for the purpose of KRS Chapter 222. If the location is a multi-unit structure, only the unit or units at which the function being catered is held shall be excluded from the public place provisions of KRS Chapter 222.

(8) The caterer licensee shall post a copy of his caterer's license at the location of the function for which alcoholic beverages are catered.

(9) The name and license numbers of the caterer shall be painted, in a contrasting color, in a form prescribed by the board by promulgation of an administrative regulation, upon all vehicles used by the caterer to transport alcoholic beverages.

(10) All restrictions and prohibitions applying to a distilled spirits and wine retail drink licensee not inconsistent with this

section, shall apply to the caterer licensee.

(11) The caterer licensee shall submit a list of functions catered or to be catered including location, host, date, and time upon request of the board.

Section 3. KRS 243.230 is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second, or third class, or elsewhere in counties containing a city of the first, second, or third class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(2) Notwithstanding any other provision of law, a liquor by the drink license to sell distilled spirits and wine for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held under KRS 242.127 and 242.129 were in favor of the proposition voted upon if the city has an adequate police force under KRS 95.710 and 95.760 to 95.787.

(3) Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first, second, or third class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(4) Notwithstanding subsection (3) of this section, the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

- (a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;
- (b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and malt beverages, where applicable, and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store, or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed.

(5) No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries***, not including, alcoholic beverages, tobacco, soft drinks, candy, hot foods and food products prepared for immediate consumption,*** or gasoline and lubricating oil.

Section 4. KRS 243.270 is amended to read as follows:

(1) A special private club license may be issued to***:***

- ***(a)*** Any nonprofit social, fraternal, military, or political organization or club, which for more than one (1) year prior to the date of application has maintained and operated a club room or rooms from which the general public is excluded***; or***
- ***(b) Any fraternal society, order, or association which possesses tax exempt status under 26 U.S.C. sec. 501(c)(8) or 501(c) (10), or is covered under a group ruling issued by the Internal Revenue Service under authority of those sections***.

(2) This license shall authorize the licensee to exercise the privilege of a malt beverage or a distilled spirits and wine retail drink licensee, or both, at the designated premises if the general public is excluded.

Section 5. KRS 243.360 is amended to read as follows:

(1) Any person, corporation, partnership, or any other entity, except an applicant for the same license for the same premises, or an applicant for an out-of-state brewer's license, supplemental bar license, extended hours supplemental license, a special agent or solicitor's license, a bonded warehouse license, a freight forwarding license, a storage warehouse license, an industrial alcohol license, a nonindustrial alcohol license,~~[a storage warehouse license,]~~ a nonbeverage license, a vendor license, a transporter's license, a Sunday license, ***a hotel-in-room license,*** or a temporary drink license shall, before applying for a license under KRS 243.030 and 243.040, advertise by publication under KRS 424.130(1)(b) his or her intention to apply for a license.

(2) The notice shall conform in all material respects to the following requirements:

- (a) The notice shall state: the name and address of the applicant if the applicant is an individual, the name and address of each partner and the name of the business and its address if the applicant is a partnership, and the name and address of each principal officer and director and the name and business address of the corporation if the applicant is a corporation;
- (b) The notice shall specifically state the location of the premises for which the license is sought and the type of license being requested; and
- (c) The notice shall state the date the application will be filed and shall contain the following statement: "Any person, association, corporation, or body politic may protest the granting of the license by writing the Department of Alcoholic Beverages, 1003 Twilight Trail, Suite A-2, Frankfort, Kentucky 40601, within thirty (30) days of the date of legal publication."

(3) Any protest received after the thirty (30) day period has expired shall not be considered a valid legal protest by the board.

Section 6. KRS 243.380 is amended to read as follows:

(1) Applications for licenses provided for in KRS 243.030 and 243.050 shall be made to the administrator of the distilled spirits unit. Applications for licenses provided for in KRS 243.040 shall be made to the administrator of the malt beverage unit.

(2) All applications shall be on forms furnished by the department. They shall be verified and shall set forth in detail such information concerning the applicant and the premises for which the license is sought as the board by regulation requires. Each application shall be accompanied by ***payment. Payment of the license fee may be by***[~~a~~] certified check, cash***,***[~~ or~~] a postal or express money order***, or any other acceptable payment methods established in administrative regulations promulgated by the board***[~~for the license fee~~]. Promptly upon receipt thereof the board shall pay the same into the State Treasury, giving the Revenue Cabinet copies of the pay-in vouchers and such other supporting data as the Revenue Cabinet may require for revenue control purposes.

Section 7. KRS 243.480 is amended to read as follows:

(1) Upon proceedings for the revocation of any license under KRS 243.520, the Alcoholic Beverage Control Board, or the local alcoholic beverage administrator, may in its or his or her discretion order a suspension of the license for any cause for which it may, but is not required to, revoke the license under the provisions of KRS 243.490 and 243.500. However, the licensee may ***alternatively do either or both of the conditions imposed in paragraphs (a) and (b) of this subsection***[~~have the alternative~~], subject to the approval of the Alcoholic Beverage Control Board or the local alcoholic beverage administrator***:***

(a) ***Pay***[~~, to pay~~] in lieu of part or all of the days of any suspension period, a sum as follows: Distillers, rectifiers, vintners, brewers, and blenders, one thousand dollars ($1,000) per day; wholesale liquor licensees, four hundred dollars ($400) per day; wholesale beer licensees, four hundred dollars ($400) per day; retail licensees authorized to sell distilled spirits, wine, or beer by the package or drink, fifty dollars ($50) per day; and all remaining licensees, fifty dollars ($50) per day***; or***

(b) Participate in training relating to Kentucky laws on the sale of alcoholic beverages in lieu of part or all of the days of any suspension period. The content of the training and the number of hours required, shall be established in administrative regulations promulgated by the department.

(2) Payments in lieu of suspension collected by the Alcoholic Beverage Control Board shall be deposited in the State Treasury and credited to the general expenditure fund. Payments in lieu of suspension collected by local alcoholic beverage administrators shall be deposited and used as local alcoholic beverage license tax receipts are deposited and used.

(3) Appeals from orders of suspension and the procedure thereon shall be the same as are provided for orders of revocation in KRS Chapter 13B.

Section 8. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (3) of this section, no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of midnight and 6 a.m. on any other day.

(2) Except as provided in subsection (3) of this section, no retailer shall sell, give away, [~~or~~]deliver***, or permit the consumption of*** any malt beverages ***on the licensed premises*** between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on a primary or regular election day.

(3) The legislative body of a city of the first, second, third, or fourth class or of a county containing a city of the first, second, third, or fourth class in which traffic in malt beverages is permitted by KRS Chapter 242, shall have the exclusive power to establish the times in which malt beverages may be sold ***or consumed*** within its jurisdictional boundaries, including Sunday sales if the hours so fixed:

(a) Shall not prohibit the sale, gift, or delivery of any malt beverages between 6 a.m. and midnight during any day, except Sunday; and

(b) Prohibit the sale of malt beverages on any primary or regular election day during the hours the polls are open.

(4) For purposes of enforcing this section, it shall not constitute a violation for the retail licensee to allow patrons to consume any malt beverages purchased before closing for a period not to exceed fifteen (15) minutes past the legal closing hour.

Section 9. KRS 244.290 is amended to read as follows:

(1) A premises that is licensed to sell distilled spirits or wine at retail shall not be permitted to remain open during the hours the polls are open on any regular or primary election day unless the licensee provides a separate locked department in which all stock of distilled spirits and wine are kept during the hours the polls are open.

(2) In any county containing a city of the first or second class in which the sale of distilled spirits and wine by the drink is permitted under KRS Chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS Chapter 242.

(3) Except as provided in KRS 243.050, a premise for which there has been granted a license for the sale of distilled spirits or wine at retail shall not remain open for any purposes between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday, unless:

(a) The licensee provides a separate locked department in which all stocks of distilled spirits and wine are kept during those times; or

(b) The legislative body of a city of the first, second, third, or fourth class, or the fiscal court of a county containing a city of the first, second, third, or fourth class, has otherwise established the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries.

(4) In any county containing a city of the first, second, or third class or any city located therein in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the legislative body of the city or county may, by ordinance, permit the sale of distilled spirits and wine by the drink on Sunday from 1 p.m. until the designated closing hour of that locality at hotels, motels, or restaurants which:

(a) Have dining facilities with a minimum seating capacity of one hundred (100) people at tables; and

(b) Receive at least fifty percent (50%) or more of their gross annual income from the dining facilities from the sale of food.

(5) In any county containing a city of the first class or in any city located therein in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the distilled spirits administrator may issue a license to holders of a distilled spirits and wine retail drink quota license or a special private club license which permits the sale of distilled spirits and wine by the drink on Sunday from 1 p.m. until the prevailing time for that locality.

(6) Any city of the fourth class or county containing a city of the fourth class which has enacted a comprehensive, regulatory ordinance relating to the licensing and operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages by the drink under KRS 242.185(1), may also regulate and provide for the limited sale of distilled spirits and wine by the drink on Sundays if:

(a) The limited Sunday drink licenses are issued only to those hotels, motels, inns, or restaurants authorized to sell alcoholic beverages by the drink under KRS 242.185(3); and

(b) The holders of distilled spirits and wine retail drink licenses have applied to the state administrator and meet all other legal requirements for obtaining a limited Sunday liquor by the drink license.

(7) For purposes of enforcing this section, it shall not constitute a violation for the retail licensee to allow patrons to consume distilled spirits and wine purchased before closing for a period not to exceed fifteen (15) minutes past the legal closing hour.

The Committee on Judiciary reported **HB 77,** with Committee Substitute attached thereto, **HB 87,** with Committee Substitute attached thereto, **HB 119,** with Committee Substitute attached thereto, **HB 198,** with Committee Substitute attached thereto, **HB 242, HB 333,** with Committee Substitute attached thereto, **HB 394,** with Committee Substitute attached thereto, and **HB 487,** with Committee Substitute attached thereto with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 77, AN ACT relating to autopsy reports, photographs, and associated records.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 72 IS CREATED TO READ AS FOLLOWS:

(1) KRS 61.870 to 61.884 to the contrary notwithstanding, no autopsy report, photograph, or associated record shall be open to the public. The state medical examiner, a coroner, or other public official in lawful possession of an autopsy report, photograph, or associated record shall, upon written request, make an autopsy report, photograph, or associated record available to:

(a) The spouse or personal representative of the decedent;

(b) A law enforcement agency, county attorney, Commonwealth's attorney, or coroner, having a bona fide interest in the case;

(c) An insurance company processing a claim related to the decedent with the written permission of the spouse or personal representative.

(2) No autopsy report, photograph, or associated record supplied pursuant to this section shall be used for any other purpose.

(3) The provisions of this section shall not be construed as to contravene or limit the production of records pursuant to the Rules of Civil Procedure or the Rules of Criminal Procedure.

(4) No medical examiner, coroner, or other public officer in lawful possession of an autopsy report, photograph, or associated record shall knowingly release that report, photograph, or associated record to any person not authorized to be supplied such a record pursuant to the provisions of this section.

Section 2. KRS 72.992 is amended to read as follows:

(1) Any person who violates KRS 72.020(1) or who interferes with the coroner in the lawful performance of his duties shall be fined not less than two hundred fifty dollars ($250), or be confined in jail for not more than ninety (90) days, or both.

(2) Any coroner or deputy coroner who violates KRS 72.025 or 72.020 shall be guilty of willful neglect of official duties and

shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

(3) Any law enforcement officer who violates KRS 72.020 shall be guilty of willful neglect of official duties and shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

(4) Violation of Section 1 of this Act is a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.

The Committee Substitute to **HB 77** is as follows:

HB 77, AN ACT relating to autopsy reports, photographs, and associated records.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 72 IS CREATED TO READ AS FOLLOWS:

(1) No autopsy photograph or video recording shall be open to the public. However, the state medical examiner, a coroner, or other public official in lawful possession of an autopsy photograph or video recording shall, upon written request, make an autopsy photograph or video recording available to:

(a) The spouse, children, and surviving parents, and the personal representative of the decedent;

(b) A law enforcement agency, county attorney, Commonwealth's attorney, public health officer, or coroner having a bona fide interest in the case;

(c) An insurance company or beneficiary under an insurance policy for the purpose of processing a claim related to the decedent's death and with the written permission of the spouse or personal representative of the decedent, or the beneficiary under the insurance policy;

(d) An attorney for a criminal defendant in a matter arising out of the decedent's death;

(e) A physician or other medical professional licensed by the Commonwealth or another state or territory under the jurisdiction of the United States for the purposes of teaching or for publication in a scientific journal; and

(f) A certified law enforcement instructor who has received a favorable written recommendation from the commissioner of the Department of Criminal Justice Training for the purpose of using the autopsy photograph or video recording in bona fide law enforcement training.

(2) No medical examiner, coroner, or other public official in lawful possession of an autopsy photograph or video recording shall knowingly release that autopsy photograph or video recording to any person not specifically authorized in subsection (1) of this section.

(3) No autopsy photograph or video recording supplied by the state medical examiner, coroner, or other public official in lawful possession of an autopsy photograph or video recording pursuant to paragraphs (b) through (f) of subsection (1) of this section shall be used for any purpose not specifically described therein.

(4) When the state medical examiner, coroner, or other public official in lawful possession of an autopsy photograph or video recording makes the autopsy photograph or video recording available pursuant to paragraphs (e) or (f) of subsection (1) of this section, the name, address, and Social Security number of the decedent shall be redacted from the autopsy photograph or video recording.

(5) The provisions of this section shall not be construed to contravene or limit the production of records pursuant to the Rules of Civil Procedure or the Rules of Criminal Procedure.

(6) (a) The Circuit Court of the county where the decedent resided or, if the decedent was not a resident of the Commonwealth, in which an autopsy photograph or video recording is located may, upon a showing of good cause, issue an order authorizing any person to view or copy a photograph or video recording of an autopsy or to listen to or copy an audio recording of an autopsy, and may prescribe any restrictions or stipulations that the court deems appropriate. In determining good cause, the court shall consider whether this disclosure is necessary for the public evaluation of governmental performance, whether the disclosure is the least intrusive means available, and the availability of similar information in other public records, regardless of form. In all cases, the viewing, copying, listening to, or other handling of a photograph or video or audio recording of an autopsy shall be under the direct supervision of the custodian of the record or of the custodian's designee.

(b) The spouse or personal representative of the decedent shall be given reasonable notice of a petition filed with the court to view or copy a photograph or video recording of an autopsy or a petition to listen to or copy an audio recording, a copy of the petition, and reasonable notice of the opportunity to be present and heard at any hearing on the matter. If there is no surviving spouse or personal representative, then the notice shall be given to the deceased's adult children or, if the deceased has no adult children, then to the surviving parents of the deceased, and if there is no individual to represent the estate of the decedent then the court shall proceed to schedule a hearing without giving such notice.

(c) Except as otherwise provided in this section, Kentucky Revised Statutes, and applicable rules of court, proceedings arising under this subsection may, upon motion of one (1) of the parties, take precedence on the docket over all other causes and shall be assigned for a hearing and trial at the earliest practicable date.

Section 2. KRS 72.992 is amended to read as follows:

(1) Any person who violates KRS 72.020(1) or who interferes with the coroner in the lawful performance of his duties shall be fined not less than two hundred fifty dollars ($250), or be confined in jail for not more than ninety (90) days, or both.

(2) Any coroner or deputy coroner who violates KRS 72.025 or 72.020 shall be guilty of willful neglect of official duties and shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

(3) Any law enforcement officer who violates KRS 72.020 shall be guilty of willful neglect of official duties and shall be fined no more than one thousand dollars ($1,000) or forfeiture of office or both.

(4) Any violation of Section 1 of this Act by an individual other than the spouse, children, and surviving parents, or the personal representative of the decedent shall be fined not more than five hundred dollars ($500) for the first violation and not more than one thousand dollars ($1,000) for each subsequent violation.

Section 3. This Act is not meant to alter or change in any way the current law in the Commonwealth relating to the availability of autopsy records that are not otherwise specifically provided for in this Act.

HB 87, AN ACT relating to notaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 423.010 is amended to read as follows:

(1) The Secretary of State may appoint as many notaries public as he ***or she*** deems necessary, who shall hold office for four (4) years. Any person desiring to be appointed a notary public shall make written application to the Secretary of State. The application shall be approved by the Circuit Judge, circuit clerk, county judge/executive, county clerk, justice of the peace, or a member of the General Assembly of the county of the residence of the applicant ***or in the county in which the applicant's principal place of employment is located***. No officer shall charge or accept any fee for approving the application. A notary public shall be eighteen (18) years of age, a resident of the county from which he ***or she*** makes his application ***or be principally employed in the country from which he or she makes his or her application***, of good moral character, and capable of discharging the duties imposed upon him ***or her*** by this chapter, and the endorsement of the officer approving the application shall so state. The Secretary of State, in his ***or her*** certificate of appointment to the applicant, shall designate the limits within which the notary is to act. Before a notary acts, he ***or she*** shall take an oath before any person authorized to administer an oath as set forth in KRS 62.020 that he ***or she*** will honestly and diligently discharge the duties of his ***or her*** office. He ***or she*** shall in the same court give an obligation with good security for the proper discharge of the duties of his ***or her*** office. Every certificate of a notary public shall state the date of the expiration of his ***or her*** commission. The Secretary of State shall give to each notary appointed a certificate of his appointment under the seal of the Commonwealth of Kentucky in lieu of a commission heretofore required to be issued to the notary by the Governor of Kentucky, and receive a fee of ten dollars ($10) for the certificate.

(2) A county clerk shall have the powers of a notary public in the exercise of the official functions of the office of clerk within his ***or her*** county, and the official actions of the county clerk shall not require the witness or signature of a notary appointed pursuant to subsection (1) of this section.

The Committee Substitute to **HB 87** is as follows:

HB 87, AN ACT relating to notaries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 423.010 is amended to read as follows:

(1) The Secretary of State may appoint as many notaries public as he ***or she*** deems necessary, who shall hold office for four (4) years. Any ***resident of the Commonwealth of Kentucky***[~~person~~] desiring to be appointed a notary public shall make written application to the Secretary of State. The application shall be approved by the Circuit Judge, circuit clerk, county judge/executive, county clerk, justice of the peace, or a member of the General Assembly of the county of the residence of the applicant ***or in the county in which the applicant's principal place of employment is located***. No officer shall charge or accept any fee for approving the application. A notary public shall be eighteen (18) years of age, a resident of the county from which he ***or she*** makes his application ***or be principally employed in the county from which he or she makes his or her application***, of good moral character, and capable of discharging the duties imposed upon him ***or her*** by this chapter, and the endorsement of the officer approving the application shall so state. The Secretary of State, in his ***or her*** certificate of appointment to the applicant, shall designate the limits within which the notary is to act. Before a notary acts, he ***or she*** shall take an oath before any person authorized to administer an oath as set forth in KRS 62.020 that he ***or she*** will honestly and diligently discharge the duties of his ***or her*** office. He ***or she*** shall in the same court give an obligation with good security for the proper discharge of the duties of his ***or her*** office. Every certificate of a notary public shall state the date of the expiration of his ***or her*** commission. The Secretary of State shall give to each notary appointed a certificate of his appointment under the seal of the Commonwealth of Kentucky in lieu of a commission heretofore required to be issued to the notary by the Governor of Kentucky, and receive a fee of ten dollars ($10) for the certificate.

(2) A county clerk shall have the powers of a notary public in the exercise of the official functions of the office of clerk within his *or her* county, and the official actions of the county clerk shall not require the witness or signature of a notary appointed pursuant to subsection (1) of this section.

HB 119, AN ACT relating to eavesdropping and related offenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 526.010 is amended to read as follows:

[~~The following definition applies in this chapter, unless the context otherwise requires:~~]

(1) Except as provided in subsection (2) of this section, "eavesdrop" means *in this chapter* to overhear, record, amplify*,* or transmit any part of a wire or oral communication of others without the consent of *all parties*[~~at least one (1) party~~] thereto by means of any electronic, mechanical*,* or other device.

(2) "Eavesdropping" shall not occur when at least one (1) party to the wire or oral communication consents to the wire or oral communication being overheard, recorded, amplified, or transmitted, and the wire or oral communication:

(a) Is being overheard, recorded, amplified, or transmitted for law enforcement purposes;

(b) Is of an emergency nature including, but not limited to, the reporting of a crime, medical emergency, fire, or disaster;

(c) Conveys threats of extortion, blackmail, bodily harm, or other unlawful requests or demands; or

(c) Occurs anonymously or repeatedly.

The Committee Substitute to **HB 119** is as follows:

HB 119, AN ACT relating to eavesdropping and related offenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 526.010 is amended to read as follows:

The following *definitions apply*[~~definition applies~~] in this chapter, unless the context otherwise requires:

(1) "Eavesdrop" means to overhear, record, amplify or transmit any part of a wire or oral communication of others without the consent of at least one (1) party thereto by means of any electronic, mechanical or other device.

(2) "Monitor" means to record or transmit any part of a wire or oral communication to which one is a party without the consent of all parties thereto by means of any electronic, mechanical, or other device.

SECTION 2. A NEW SECTION OF KRS CHAPTER 526 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of monitoring a private conversation when he or she intentionally uses any device to monitor a private conversation.

(2) This section shall not apply to:

(a) A law enforcement officer, attorney, or insurance fraud investigator engaged in the investigation, prosecution, or defense of a crime or other unlawful activity, or any individual so engaged under the direction of one (1) of these individuals;

(b) A law enforcement telecommunicator or other public safety dispatcher while engaged in official duties;

(c) An employee of the Department of Corrections, the Department of Juvenile Justice, a private prison, a local jail, or a local correctional facility whose actions have been authorized for security or investigative purposes;

(d) A victim of threats of extortion, blackmail, bodily harm, or other unlawful request, demand, or contact where the victim is seeking to preserve evidence of such unlawful communication for law enforcement purposes; or

(e) A victim of any harassing telephone communication attempting to preserve evidence of such unlawful communication for law enforcement purposes.

(3) Monitoring a private conversation is a violation.

Section 3. KRS 526.060 is amended to read as follows:

(1) A person is guilty of divulging illegally obtained information when he knowingly uses or divulges information obtained through eavesdropping*,*[~~ or~~] tampering with private communications*, or monitoring a private communication,* or learned in the course of employment with a communications common carrier engaged in transmitting the message.

(2) *The provisions of subsection (1) of this section shall not apply to:*

(a) The use or divulging of illegally obtained information during a communication protected by a privilege under KRE 503, KRE 504, KRE 505, KRE 506, or KRE 507; or

(b) The use or divulging of illegally obtained information pursuant to the order of a court.

(3) Divulging illegally obtained information is a Class A misdemeanor.

HB 198, AN ACT relating to guardianship.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 387.510 is amended to read as follows:

As used in KRS 387.500 to ***387.800***[~~387.770~~] and ***KRS*** 387.990:

(1) "Conservator" means an individual, agency, or corporation appointed by the court to manage the financial resources of a disabled person.

(2) "Limited conservator" means an individual, agency, or corporation appointed by the court to assist in managing the financial resources of a partially disabled person and whose powers and duties have been specifically enumerated by court order.

(3) "Guardian" means any individual, agency, or corporation appointed by the court to have full care, custody, and control of a disabled person and to manage his financial resources.

(4) "Limited guardian" means a guardian who possesses fewer than all of the legal powers and duties of a full guardian, and whose powers and duties have been specifically enumerated by court order.

(5) "Standby" guardian or conservator means a person or entity designated by the court to assume the powers and duties assigned to a limited guardian, guardian, limited conservator, or conservator upon his death, resignation, removal, or incapacity.

(6) "Testamentary" guardian or conservator means an individual, agency, or corporation nominated in the will of a limited guardian, guardian, limited conservator, or conservator to succeed the testator in that capacity upon his death.

(7) "Developmental disability" means a severe, chronic disability of a person which:

(a) Is attributable to a mental or physical impairment or combination of mental and physical impairments;

(b) Is manifested before the person attains age twenty-two (22);

(c) Is likely to continue indefinitely;

(d) Results in substantial functional limitations in three (3) or more of the following areas of major life activity: 1. self-care; 2. receptive and expressive language; 3. learning; 4. mobility; 5. self-direction; 6. capacity for independent living; and 7. economic self-sufficiency; and

(e) Reflects the person's need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.

(8) "Disabled" means a legal, not a medical disability, and is measured by functional inabilities. It refers to any person fourteen (14) years of age or older who is:

(a) Unable to make informed decisions with respect to his personal affairs to such an extent that he lacks the capacity to provide for his physical health and safety, including but not limited to health care, food, shelter, clothing, or personal hygiene; or

(b) Unable to make informed decisions with respect to his financial resources to such an extent that he lacks the capacity to manage his property effectively by those actions necessary to obtain, administer, and dispose of both real and personal property.

Such inability shall be evidenced***, to the extent possible,*** by acts or occurrences within six (6) months prior to the filing of the petition for guardianship or conservatorship and shall not be evidenced solely by isolated instances of negligence, improvidence, or other behavior. ***Acts or occurrences occurring prior to the six (6) month period prior to the filing of the petition shall be considered if relevant to the proceedings.***

(9) "Partially disabled" refers to an individual who lacks the capacity to manage some of his personal affairs and/or financial resources as provided in subsection (8) of this section, but who cannot be found to be fully disabled as provided therein.

(10) "Mentally ill person" means a person with substantially impaired capacity to use self-control, judgment, or discretion in the conduct of his affairs and social relations, associated with maladaptive behavior or recognized emotional symptoms where impaired capacity, maladaptive behavior, or emotional symptoms can be related to physiological, psychological, or social factors.

(11) "Interdisciplinary evaluation report" means a report of an evaluation of a respondent performed pursuant to the provisions of KRS 387.540 to determine whether he is partially disabled or disabled as defined herein.

(12) "Interested person or entity" means an adult relative or friend of the respondent or ward, an official or representative of a public or private agency, corporation, or association concerned with that person's welfare, or any other person found suitable by the court.

(13) "Petitioner" means a person who institutes a proceeding under KRS 387.530.

(14) "Respondent" means an individual alleged to be a partially disabled or disabled person.

(15) "Ward" means a person for whom a limited guardian, guardian, limited conservator, or conservator has been appointed.

(16) "Committee" means a person appointed by the court prior to July 1, 1982, to have full care, custody, and control of a

disabled person and his estate.

Section 2. KRS 387.540 is amended to read as follows:

(1) Prior to a hearing on a petition for a determination of partial disability or disability and the appointment of a limited guardian, guardian, limited conservator, or conservator, an interdisciplinary evaluation report shall be filed with the court. ***If one (1) member of the interdisciplinary evaluation team testifies in court, then all the individual and team reports filed by the interdisciplinary team***[~~The report may be filed as a single and joint report of the interdisciplinary evaluation team, or it may otherwise be constituted by the separate reports filed by each individual of the team. If the court and all parties to the proceeding and their attorneys agree to the admissibility of the report or reports, the report or reports~~] shall be admitted into evidence and shall be considered by the jury. The report shall be compiled by at least three (3) individuals ***constituting the interdisciplinary evaluation team***, including a physician, a psychologist licensed or certified under the provisions of KRS Chapter 319, and a person licensed or certified as a social worker or an employee of the Cabinet for Families and Children who meets the qualifications of KRS 335.080(1)(a), (b), and (c) or 335.090(1)(a), (b), and (c). ***The court shall appoint all members of the interdisciplinary evaluation team.*** The social worker shall, when possible, be chosen from among employees of the Cabinet for Families and Children residing or working in the area, and there shall be no additional compensation for ***the social worker's***[~~their~~] service on the interdisciplinary evaluation team.

(2) At least one (1) person participating in the compilation of the report shall have knowledge of the particular disability which the respondent is alleged to have or knowledge of the skills required of the respondent to care for himself and his estate.

(3) If the respondent is alleged to be partially disabled or disabled due to mental illness, at least one (1) person participating in the compilation of the interdisciplinary evaluation report shall be a qualified mental health professional as defined in KRS 202A.011(12). If the respondent is alleged to be partially disabled or disabled due to mental retardation, at least one (1) person participating in the compilation of the evaluation report shall be a qualified mental retardation professional as defined in KRS 202B.010(12).

(4) The interdisciplinary evaluation report shall contain:

(a) A description of the nature and extent of the respondent's disabilities, if any;

(b) Current evaluations of the respondent's social, intellectual, physical, and educational condition, adaptive behavior, and social skills. Such evaluations may be based on prior evaluations not more than ***six (6)***[~~three (3)~~] months old, ***although earlier evaluations may be considered if relevant.***[~~except that~~] Evaluations of the respondent's intellectual condition ***shall, to the fullest extent possible,***[~~may~~] be based on individual intelligence test scores not more than one (1) year old***, although earlier individual intelligence test scores may be considered if relevant***;

(c) An opinion as to whether guardianship or conservatorship is needed, the type of guardianship or conservatorship needed, if any, and the reasons therefor;

(d) An opinion as to the length of time guardianship or conservatorship will be needed by the respondent, if at all, and the reasons therefor;

(e) If limited guardianship or conservatorship is recommended, a further recommendation as to the scope of the guardianship or conservatorship, specifying particularly the rights to be limited and the corresponding powers and duties of the limited guardian or limited conservator;

(f) A description of the social, educational, medical, and rehabilitative services currently being utilized by the respondent, if any;

(g) A determination whether alternatives to guardianship or conservatorship are available;

(h) A recommendation as to the most appropriate treatment or rehabilitation plan and living arrangement for the respondent and the reasons therefor;

(i) A listing of all medications the respondent is receiving, the dosage, and a description of the impact of the medication upon the respondent's mental and physical condition and behavior;

(j) An opinion whether attending a hearing on a petition filed under KRS 387.530 would subject the respondent to serious risk of harm;

(k) The names and addresses of all individuals who examined or interviewed the respondent or otherwise participated in the evaluation; and

(l) Any dissenting opinions or other comments by the evaluators.

(5) The evaluation report may be compiled by a community mental health-mental retardation center, a licensed facility for mentally ill or developmentally disabled persons, if the respondent is a resident of such facility, or a similar agency.

(6) In all cases where the respondent is a resident of a licensed facility for mentally ill or developmentally disabled persons and the petition is filed by an employee of that facility, the petition shall be accompanied by an interdisciplinary evaluation report prepared by the facility.

(7) Except as provided in subsection (6) of this section, the court shall order appropriate evaluations to be performed by qualified persons or a qualified agency. ***The joint evaluation report of the interdisciplinary evaluation team and any***

separate report, dissenting or otherwise,[~~The report~~] shall be prepared and filed with the court and copies mailed to the attorneys for both parties at least ten (10) days prior to the hearing. All items specified in subsection (4) of this section shall be included in the ***joint evaluation report or any individual reports***[~~report~~]. ***Reports filed with the court at least ten (10) days prior to the hearing shall be admissible into evidence under KRE 1005 for the jury's consideration.***

(8) If the person evaluated is a poor person as defined in KRS 453.190, the examiners shall be paid by the county in which the petition is filed upon an order of allowance entered by the court. Payment shall be in an amount which is reasonable as determined by the court, except no payment shall be required of the county for an evaluation performed by a salaried employee of a state agency for an evaluation performed within the course of his employment. Additionally, no payment shall be required of the county for an evaluation performed by a salaried employee of a community mental health-mental retardation center or private facility or agency where the costs incurred by the center, facility, or agency are reimbursable through third-party payors. Affidavits or other competent evidence shall be admissible to prove the services rendered but not to prove their value.

(9) The respondent may file a response to the evaluation report no later than five (5) days prior to the hearing.

(10) The respondent may secure an independent evaluation. If the respondent is unable to pay for the evaluation, compensation for the independent evaluation may be paid by the county in an amount which is reasonable as determined by the court.

Section 3. KRS 387.590 is amended to read as follows:

(1) If the respondent is found partially disabled in managing his personal affairs, but not partially disabled or disabled in managing his financial resources, a limited guardian shall be appointed.

(2) If the respondent is found partially disabled in managing his financial resources, but not partially disabled or disabled in managing his personal affairs, a limited conservator shall be appointed.

(3) If the respondent is found partially disabled in managing both his personal affairs and financial resources, a limited guardian shall be appointed, unless the court considers it in the best interest of the ward to appoint both a limited guardian and a limited conservator.

(4) If the respondent is found disabled in managing his financial resources, but not partially disabled or disabled in managing his personal affairs, a conservator shall be appointed.

(5) If the respondent is found disabled in managing both his personal affairs and financial resources, a guardian shall be appointed, unless the court considers it in the best interest of the ward to appoint both a limited guardian and a conservator.

(6) The order of appointment of a limited guardian, guardian, limited conservator, or conservator shall specify:

(a) The type of guardianship or conservatorship to which the ward is subject;

(b) The name and address of the limited guardian, guardian, limited conservator, or conservator;

(c) The name and address of the standby guardian or conservator, if a standby guardian or conservator is designated;

(d) The specific legal disabilities to which the respondent is subject, if the respondent has been determined to be partially disabled;

(e) The corresponding powers and duties of the limited guardian or limited conservator, if the respondent has been determined to be partially disabled; and

(f) The duration of the term of guardianship or conservatorship.

(7) A limited guardian or limited conservator shall not be appointed for a term greater than five (5) years and may be appointed for a lesser period. A guardian or conservator may be appointed for a period of unlimited duration.

(8) The judgment of partial disability or disability and the order of appointment shall be filed in the District Court. The judgment shall be indexed by the county clerk in the book in which notices of actions and encumbrances are indexed. Unless such judgment is filed and indexed, it shall not constitute notice to any subsequent bona fide purchaser for value, mortgagee, or encumbrancer.

(9) If the respondent is determined to be disabled or partially disabled but no limited guardian, guardian, limited conservator, or conservator is appointed at the hearing, the determination shall have no legal effect.

(10) The rights of which a ward is legally deprived upon a determination of disability in managing his personal affairs and financial resources include, but are not limited to, the right to vote, dispose of property, execute instruments***, including, but not limited to, wills and health care advance directives***, enter into contractual relationships, determine his living arrangements, consent to medical procedures, and obtain a motor vehicle operator's license.

(11) A partially disabled or disabled person for whom a limited guardian, limited conservator, or conservator has been appointed retains all legal and civil rights except those which have by court order been designated as legal disabilities or which have been specifically granted to the limited guardian, limited conservator, or conservator. A person who is partially disabled may be subject to some but not all of the disabilities specified in subsection (10) of this section.

(12) A guardian, limited guardian, limited conservator, or conservator may direct that funds under the control of the guardian, limited guardian, limited conservator, or conservator be used for the support of the family of the person who is disabled or partially disabled if the use of the funds does not conflict with the order of the court or the ward's needs.

Section 4. KRS 387.610 is amended to read as follows:

No more than six (6) months prior to the expiration of a term of guardianship or conservatorship, the limited guardian, guardian, limited conservator, or conservator may petition, pursuant to KRS 387.620, for a renewal of his appointment for a period not to exceed five (5) years. The petition shall be accompanied by verified affidavits of a physician, or a psychologist licensed or certified under the provisions of KRS Chapter 319, or a person licensed or certified as a social worker or an employee of the Cabinet for Families and Children who meets the qualifications of KRS 335.080(1)(a), (b), and (c) or 335.090(1)(a), (b), and (c) supporting the need for the continuation of the guardianship or conservatorship. ***The court, upon motion for a jury trial and good cause shown, shall order a jury trial to determine the need for the continuation. In the absence of this motion, the report of the interdisciplinary team shall constitute a rebuttable presumption that the guardianship or conservatorship shall continue.***

Section 5. KRS 387.620 is amended to read as follows:

(1) A partially disabled or disabled person, his limited guardian, guardian, limited conservator, or conservator, or any other interested person may petition the court ***no more than once every six (6) months*** for:

(a) Termination or modification of an order of partial disability or disability;

(b) Removal and/or replacement of a limited guardian, guardian, limited conservator or conservator; or

(c) Renewal of the appointment of a limited guardian, guardian, limited conservator, or conservator.

The petition may be filed more frequently than once every six (6) months upon a demonstration of good cause.

(2) Petitions ***under***[~~pursuant to~~] this section shall set forth:

(a) The name and address of the ward;

(b) The name and address of the limited guardian, guardian, limited conservator, or conservator;

(c) The name, address, and interest of the petitioner;

(d) The names and addresses of the ward's next of kin, if known;

(e) The name and address of the individual or facility, if any, having custody of the ward;

(f) The relief requested; and

(g) The facts and reasons supporting the request.

(3) A request under subsection (1) of this section, if made by the ward, may be communicated to the court by any means, including, but not limited to, oral communication or informal letter. If such a request is communicated by means other than a petition, the court shall appoint a suitable person who may, but need not be, an employee of the state, county, or court to prepare a written petition to be filed with the court within seven (7) days following the appointment.

(4) Within thirty (30) days after the filing of a petition, the court shall conduct a hearing at which the ward shall be entitled to counsel. The time for a hearing may be extended by the court, on motion of either party, for cause. Notice of the time and place of the hearing shall be given by the clerk of the court not less than fourteen (14) days prior to the hearing to both parties and all persons named in the petition. The petitioner shall, upon his motion, be entitled to have the motion for termination or modification determined by a jury.

(5) At the request of any party or on its own initiative, the court may order an interdisciplinary evaluation of the ward. The time period in which the court must review a petition may be extended for an appropriate period of time if an evaluation is ordered by the court. The interdisciplinary evaluation report may be filed as a single or joint report of the interdisciplinary evaluation team, or it may otherwise be constituted by the separate reports filed by each individual of the team. If the court and all parties to the proceeding and their attorneys agree to the admissibility of the report or reports, the report or reports shall be admitted into evidence and shall be considered by the court.

(6) Upon conclusion of a modification hearing without a jury, the court shall enter a written order setting forth the factual basis for its finding and may do any of the following:

(a) Dismiss the petition;

(b) Remove the guardian or conservator and dissolve the guardianship or conservatorship order;

(c) Remove the limited guardian, guardian, limited conservator, or conservator and appoint a successor;

(d) Modify the original guardianship or conservatorship order; or

(e) Make any other order which the court deems appropriate and in the best interest of the ward.

(7) If the original order is dissolved and no further order is issued, the ward shall be relieved of all legal disabilities. The court shall enter an order and judgment restoring to the person all of the rights and privileges of a citizen. The clerk shall note the judgment or modification in the book in which notices of actions and encumbrances are indexed.

(8) The clerk of the court shall transmit a certified copy of the restoration judgment or modification to the originating court, if the judgment or modification is ordered by a court other than the court in which the original judgment was entered.

Section 6. KRS 387.710 is amended to read as follows:

(1) Within sixty (60) days of appointment, the limited conservator or conservator shall file with the court a verified inventory of all the property of the ward which has come to his possession or knowledge, including a statement of all encumbrances,

liens, and other secured claims on any item, any claims against the estate of the ward, and any cause of action accruing to the ward. ***The inventory shall also contain the limited conservator's or conservator's preliminary plan for preserving and maintaining the estate of which he has control or supervision.*** The limited conservator or conservator shall provide a copy thereof to the ward if he has sufficient mental capacity to understand it.

(2) (a) A limited conservator or conservator shall file with the court a verified report and financial account biennially within one hundred twenty (120) days after the anniversary date of his appointment. The report shall contain:

1. The present personal status of the ward whose estate is managed by the conservator;

2. The conservator's plan for preserving and maintaining the estate of which he has control or supervision;

3. The need for continuation or cessation of the conservatorship; and

4. The need for any alteration in the powers of the conservatorship.

(b) The biennial report shall specify the amount and type of real and personal property received by the conservator and remaining in his control or invested by him, the nature of such investment, and expenditures made during the preceding year. Upon request of the court, the conservator shall produce for examination any information or documentation which the court may consider relevant to the accounting of the financial and property transactions of the estate.

(c) ***The court may waive the filing of a biennial report, final settlement, or corporate surety bond for any year in which the ward's monthly income, on average, is under seven hundred dollars ($700) or in which the ward is Medicaid eligible. In all these cases, the guardian, conservator, or limited conservator shall file an affidavit stating the source of and amount of all income. All income shall be used for the support and maintenance of the ward***~~[If the ward has no real property and possesses personal property of two thousand five hundred dollars ($2,500) or less for any year during the biennial report, the guardian, conservator, or limited conservator may file an informal biennial financial report attesting to the identity of the ward's financial account and its current balance. If the balance does not exceed two thousand five hundred dollars ($2,500) for any year of the biennial report, the guardian, conservator, or limited conservator shall not be required to render to the court a detailed accounting of the expenditures from the fund, unless the court, on its own motion or that of any interested party or individual, deems it necessary to order the guardian, conservator, or limited conservator to provide a detailed biennial accounting, including the listing of all expenditures for that reporting period. For guardians filing an informal biennial financial report, the provisions of subsection (2)(a)2. of this section shall not apply]~~.

(3) Upon the resignation, removal, or death of a limited conservator or conservator, or on the termination of the conservatorship, the limited conservator or conservator, or his personal representative, shall forthwith submit a final report and account to the court and to the former ward and to the successor limited conservator or conservator, or, if the ward is deceased, to his personal representative, and shall pay over the trust estate to the person entitled thereto. Upon approval of the report and account, the limited conservator or conservator shall be discharged and his surety, if any, released.

Section 7. KRS 387.740 is amended to read as follows:

(1) The court may exercise the powers of a limited guardian or limited conservator or may appoint an individual or agency to exercise such powers if, during the pendency of a proceeding for a determination of partial disability or disability or an appeal therefrom, it appears that there is danger of serious impairment to the health or safety of the respondent or damage or dissipation to his property if immediate action is not taken.

(2) Prior to a hearing on the need for an emergency appointment of a limited guardian or limited conservator, a petition shall be filed which sets forth the following:

(a) The name, age, and address of the respondent;

(b) The danger alleged to be imminent;

(c) The type of appointment and the protection and assistance requested;

(d) The facts and reasons supporting the request;

(e) The name, address, and qualifications of the proposed limited guardian or limited conservator, if any;

(f) The name, address, and interest of the petitioner;

(g) The names and addresses of the respondent's next of kin, if known;

(h) The name and address of the individual or facility, if any, having custody of the respondent; and

(i) The date of filing of the petition for determination of disability or partial disability.

(3) Within one (1) week of the filing of a petition pursuant to this section, the court shall conduct a hearing ***from the bench and not before a jury, notwithstanding any provisions of KRS Chapter 387 to the contrary,*** at which the respondent shall be entitled to counsel. Notice of the time and place of the hearing shall be given not less than forty-eight (48) hours prior to the hearing to all persons named in the petition and to the county attorney.

(4) The burden shall be on the Commonwealth to prove by clear and convincing evidence the need for the emergency appointment of a limited guardian or conservator.

(5) If the court exercises the powers of a limited guardian or limited conservator or appoints another to do so in an emergency

situation as set forth in subsection (1) of this section, the court shall state on the record findings of fact as to the danger determined to be imminent, the sources relied on in arriving at such determination, the type of assistance to be provided, and the powers and duties of the emergency guardian or conservator. The authority of the guardian or conservator shall expire upon resolution of the appeal or action.

Section 8. The following KRS section is repealed:

387.330 Petition for appointment of guardian or conservator conditioned on a contingency.

The Committee Substitute to **HB 198** is as follows:

HB 198, AN ACT relating to guardianship.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 387.510 is amended to read as follows:

As used in KRS 387.500 to ***387.800***~~[387.770]~~ and ***KRS*** 387.990:

(1) "Conservator" means an individual, agency, or corporation appointed by the court to manage the financial resources of a disabled person.

(2) "Limited conservator" means an individual, agency, or corporation appointed by the court to assist in managing the financial resources of a partially disabled person and whose powers and duties have been specifically enumerated by court order.

(3) "Guardian" means any individual, agency, or corporation appointed by the court to have full care, custody, and control of a disabled person and to manage his financial resources.

(4) "Limited guardian" means a guardian who possesses fewer than all of the legal powers and duties of a full guardian, and whose powers and duties have been specifically enumerated by court order.

(5) "Standby" guardian or conservator means a person or entity designated by the court to assume the powers and duties assigned to a limited guardian, guardian, limited conservator, or conservator upon his death, resignation, removal, or incapacity.

(6) "Testamentary" guardian or conservator means an individual, agency, or corporation nominated in the will of a limited guardian, guardian, limited conservator, or conservator to succeed the testator in that capacity upon his death.

(7) "Developmental disability" means a severe, chronic disability of a person which:

(a) Is attributable to a mental or physical impairment or combination of mental and physical impairments;

(b) Is manifested before the person attains age twenty-two (22);

(c) Is likely to continue indefinitely;

(d) Results in substantial functional limitations in three (3) or more of the following areas of major life activity: 1. self-care; 2. receptive and expressive language; 3. learning; 4. mobility; 5. self-direction; 6. capacity for independent living; and 7. economic self-sufficiency; and

(e) Reflects the person's need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.

(8) "Disabled" means a legal, not a medical disability, and is measured by functional inabilities. It refers to any person fourteen (14) years of age or older who is:

(a) Unable to make informed decisions with respect to his personal affairs to such an extent that he lacks the capacity to provide for his physical health and safety, including but not limited to health care, food, shelter, clothing, or personal hygiene; or

(b) Unable to make informed decisions with respect to his financial resources to such an extent that he lacks the capacity to manage his property effectively by those actions necessary to obtain, administer, and dispose of both real and personal property.

Such inability shall be evidenced***, to the extent possible,*** by acts or occurrences within six (6) months prior to the filing of the petition for guardianship or conservatorship and shall not be evidenced solely by isolated instances of negligence, improvidence, or other behavior. ***Acts or occurrences occurring prior to the six (6) month period prior to the filing of the petition shall be considered if relevant to the proceedings.***

(9) "Partially disabled" refers to an individual who lacks the capacity to manage some of his personal affairs and/or financial resources as provided in subsection (8) of this section, but who cannot be found to be fully disabled as provided therein.

(10) "Mentally ill person" means a person with substantially impaired capacity to use self-control, judgment, or discretion in the conduct of his affairs and social relations, associated with maladaptive behavior or recognized emotional symptoms where impaired capacity, maladaptive behavior, or emotional symptoms can be related to physiological, psychological, or social factors.

(11) "Interdisciplinary evaluation report" means a report of an evaluation of a respondent performed pursuant to the provisions

of KRS 387.540 to determine whether he is partially disabled or disabled as defined herein.

(12) "Interested person or entity" means an adult relative or friend of the respondent or ward, an official or representative of a public or private agency, corporation, or association concerned with that person's welfare, or any other person found suitable by the court.

(13) "Petitioner" means a person who institutes a proceeding under KRS 387.530.

(14) "Respondent" means an individual alleged to be a partially disabled or disabled person.

(15) "Ward" means a person for whom a limited guardian, guardian, limited conservator, or conservator has been appointed.

(16) "Committee" means a person appointed by the court prior to July 1, 1982, to have full care, custody, and control of a disabled person and his estate.

Section 2. KRS 387.540 is amended to read as follows:

(1) Prior to a hearing on a petition for a determination of partial disability or disability and the appointment of a limited guardian, guardian, limited conservator, or conservator, an interdisciplinary evaluation report shall be filed with the court. ***If one (1) member of the interdisciplinary evaluation team testifies in court, then all the individual and team reports filed by the interdisciplinary team***[~~The report may be filed as a single and joint report of the interdisciplinary evaluation team, or it may otherwise be constituted by the separate reports filed by each individual of the team. If the court and all parties to the proceeding and their attorneys agree to the admissibility of the report or reports, the report or reports~~] shall be admitted into evidence and shall be considered by the jury. The report shall be compiled by at least three (3) individuals ***constituting the interdisciplinary evaluation team***, including a physician, a psychologist licensed or certified under the provisions of KRS Chapter 319, and a person licensed or certified as a social worker or an employee of the Cabinet for Families and Children who meets the qualifications of KRS 335.080(1)(a), (b), and (c) or 335.090(1)(a), (b), and (c). ***The court shall appoint all members of the interdisciplinary evaluation team.*** The social worker shall, when possible, be chosen from among employees of the Cabinet for Families and Children residing or working in the area, and there shall be no additional compensation for ***the social worker's***[~~their~~] service on the interdisciplinary evaluation team.

(2) At least one (1) person participating in the compilation of the report shall have knowledge of the particular disability which the respondent is alleged to have or knowledge of the skills required of the respondent to care for himself and his estate.

(3) If the respondent is alleged to be partially disabled or disabled due to mental illness, at least one (1) person participating in the compilation of the interdisciplinary evaluation report shall be a qualified mental health professional as defined in KRS 202A.011(12). If the respondent is alleged to be partially disabled or disabled due to mental retardation, at least one (1) person participating in the compilation of the evaluation report shall be a qualified mental retardation professional as defined in KRS 202B.010(12).

(4) The interdisciplinary evaluation report shall contain:

(a) A description of the nature and extent of the respondent's disabilities, if any;

(b) Current evaluations of the respondent's social, intellectual, physical, and educational condition, adaptive behavior, and social skills. Such evaluations may be based on prior evaluations not more than ***six (6)***[~~three (3)~~] months old, ***although earlier evaluations may be considered if relevant.***[~~except that~~] Evaluations of the respondent's intellectual condition ***shall, to the fullest extent possible,***[~~may~~] be based on individual intelligence test scores not more than one (1) year old***, although earlier individual intelligence test scores may be considered if relevant***;

(c) An opinion as to whether guardianship or conservatorship is needed, the type of guardianship or conservatorship needed, if any, and the reasons therefor;

(d) An opinion as to the length of time guardianship or conservatorship will be needed by the respondent, if at all, and the reasons therefor;

(e) If limited guardianship or conservatorship is recommended, a further recommendation as to the scope of the guardianship or conservatorship, specifying particularly the rights to be limited and the corresponding powers and duties of the limited guardian or limited conservator;

(f) A description of the social, educational, medical, and rehabilitative services currently being utilized by the respondent, if any;

(g) A determination whether alternatives to guardianship or conservatorship are available;

(h) A recommendation as to the most appropriate treatment or rehabilitation plan and living arrangement for the respondent and the reasons therefor;

(i) A listing of all medications the respondent is receiving, the dosage, and a description of the impact of the medication upon the respondent's mental and physical condition and behavior;

(j) An opinion whether attending a hearing on a petition filed under KRS 387.530 would subject the respondent to serious risk of harm;

(k) The names and addresses of all individuals who examined or interviewed the respondent or otherwise participated in the evaluation; and

(l) Any dissenting opinions or other comments by the evaluators.

(5) The evaluation report may be compiled by a community mental health-mental retardation center, a licensed facility for mentally ill or developmentally disabled persons, if the respondent is a resident of such facility, or a similar agency.

(6) In all cases where the respondent is a resident of a licensed facility for mentally ill or developmentally disabled persons and the petition is filed by an employee of that facility, the petition shall be accompanied by an interdisciplinary evaluation report prepared by the facility.

(7) Except as provided in subsection (6) of this section, the court shall order appropriate evaluations to be performed by qualified persons or a qualified agency. ***The joint evaluation report of the interdisciplinary evaluation team and any separate report, dissenting or otherwise,***[~~The report~~] shall be prepared and filed with the court and copies mailed to the attorneys for both parties at least ten (10) days prior to the hearing. All items specified in subsection (4) of this section shall be included in the ***joint evaluation report or any individual reports***[~~report~~]. ***Reports filed with the court at least ten (10) days prior to the hearing shall be admissible into evidence under KRE 1005 for the jury's consideration.***

(8) If the person evaluated is a poor person as defined in KRS 453.190, the examiners shall be paid by the county in which the petition is filed upon an order of allowance entered by the court. Payment shall be in an amount which is reasonable as determined by the court, except no payment shall be required of the county for an evaluation performed by a salaried employee of a state agency for an evaluation performed within the course of his employment. Additionally, no payment shall be required of the county for an evaluation performed by a salaried employee of a community mental health-mental retardation center or private facility or agency where the costs incurred by the center, facility, or agency are reimbursable through third-party payors. Affidavits or other competent evidence shall be admissible to prove the services rendered but not to prove their value.

(9) The respondent may file a response to the evaluation report no later than five (5) days prior to the hearing.

(10) The respondent may secure an independent evaluation. If the respondent is unable to pay for the evaluation, compensation for the independent evaluation may be paid by the county in an amount which is reasonable as determined by the court.

Section 3. KRS 387.590 is amended to read as follows:

(1) If the respondent is found partially disabled in managing his personal affairs, but not partially disabled or disabled in managing his financial resources, a limited guardian shall be appointed.

(2) If the respondent is found partially disabled in managing his financial resources, but not partially disabled or disabled in managing his personal affairs, a limited conservator shall be appointed.

(3) If the respondent is found partially disabled in managing both his personal affairs and financial resources, a limited guardian shall be appointed, unless the court considers it in the best interest of the ward to appoint both a limited guardian and a limited conservator.

(4) If the respondent is found disabled in managing his financial resources, but not partially disabled or disabled in managing his personal affairs, a conservator shall be appointed.

(5) If the respondent is found disabled in managing both his personal affairs and financial resources, a guardian shall be appointed, unless the court considers it in the best interest of the ward to appoint both a limited guardian and a conservator.

(6) The order of appointment of a limited guardian, guardian, limited conservator, or conservator shall specify:

(a) The type of guardianship or conservatorship to which the ward is subject;

(b) The name and address of the limited guardian, guardian, limited conservator, or conservator;

(c) The name and address of the standby guardian or conservator, if a standby guardian or conservator is designated;

(d) The specific legal disabilities to which the respondent is subject, if the respondent has been determined to be partially disabled;

(e) The corresponding powers and duties of the limited guardian or limited conservator, if the respondent has been determined to be partially disabled; and

(f) The duration of the term of guardianship or conservatorship.

(7) A limited guardian or limited conservator shall not be appointed for a term greater than five (5) years and may be appointed for a lesser period. A guardian or conservator may be appointed for a period of unlimited duration.

(8) The judgment of partial disability or disability and the order of appointment shall be filed in the District Court. The judgment shall be indexed by the county clerk in the book in which notices of actions and encumbrances are indexed. Unless such judgment is filed and indexed, it shall not constitute notice to any subsequent bona fide purchaser for value, mortgagee, or encumbrancer.

(9) If the respondent is determined to be disabled or partially disabled but no limited guardian, guardian, limited conservator, or conservator is appointed at the hearing, the determination shall have no legal effect.

(10) The rights of which a ward is legally deprived upon a determination of disability in managing his personal affairs and financial resources include, but are not limited to, the right to vote, dispose of property, execute instruments***, including, but not limited to, wills and health care advance directives***, enter into contractual relationships, determine his living

arrangements, consent to medical procedures, and obtain a motor vehicle operator's license.

(11) A partially disabled or disabled person for whom a limited guardian, limited conservator, or conservator has been appointed retains all legal and civil rights except those which have by court order been designated as legal disabilities or which have been specifically granted to the limited guardian, limited conservator, or conservator. A person who is partially disabled may be subject to some but not all of the disabilities specified in subsection (10) of this section.

(12) A guardian, limited guardian, limited conservator, or conservator may direct that funds under the control of the guardian, limited guardian, limited conservator, or conservator be used for the support of the family of the person who is disabled or partially disabled if the use of the funds does not conflict with the order of the court or the ward's needs.

Section 4. KRS 387.610 is amended to read as follows:

No more than six (6) months prior to the expiration of a term of guardianship or conservatorship, the limited guardian, guardian, limited conservator, or conservator may petition, pursuant to KRS 387.620, for a renewal of his appointment for a period not to exceed five (5) years. The petition shall be accompanied by verified affidavits of a physician, or a psychologist licensed or certified under the provisions of KRS Chapter 319, or a person licensed or certified as a social worker or an employee of the Cabinet for Families and Children who meets the qualifications of KRS 335.080(1)(a), (b), and (c) or 335.090(1)(a), (b), and (c) supporting the need for the continuation of the guardianship or conservatorship. ***The court, upon motion for a jury trial and good cause shown, shall order a jury trial to determine the need for the continuation. In the absence of this motion, the report of the interdisciplinary team shall constitute a rebuttable presumption that the guardianship or conservatorship shall continue.***

Section 5. KRS 387.620 is amended to read as follows:

(1) A partially disabled or disabled person, his limited guardian, guardian, limited conservator, or conservator, or any other interested person may petition the court ***no more than once every six (6) months*** for:

(a) Termination or modification of an order of partial disability or disability;

(b) Removal and/or replacement of a limited guardian, guardian, limited conservator or conservator; or

(c) Renewal of the appointment of a limited guardian, guardian, limited conservator, or conservator.

The petition may be filed more frequently than once every six (6) months upon a demonstration of good cause.

(2) Petitions ***under***[~~pursuant to~~] this section shall set forth:

(a) The name and address of the ward;

(b) The name and address of the limited guardian, guardian, limited conservator, or conservator;

(c) The name, address, and interest of the petitioner;

(d) The names and addresses of the ward's next of kin, if known;

(e) The name and address of the individual or facility, if any, having custody of the ward;

(f) The relief requested; and

(g) The facts and reasons supporting the request.

(3) A request under subsection (1) of this section, if made by the ward, may be communicated to the court by any means, including, but not limited to, oral communication or informal letter. If such a request is communicated by means other than a petition, the court shall appoint a suitable person who may, but need not be, an employee of the state, county, or court to prepare a written petition to be filed with the court within seven (7) days following the appointment.

(4) Within thirty (30) days after the filing of a petition, the court shall conduct a hearing at which the ward shall be entitled to counsel. The time for a hearing may be extended by the court, on motion of either party, for cause. Notice of the time and place of the hearing shall be given by the clerk of the court not less than fourteen (14) days prior to the hearing to both parties and all persons named in the petition. The petitioner shall, upon his motion, be entitled to have the motion for termination or modification determined by a jury.

(5) At the request of any party or on its own initiative, the court may order an interdisciplinary evaluation of the ward. The time period in which the court must review a petition may be extended for an appropriate period of time if an evaluation is ordered by the court. The interdisciplinary evaluation report may be filed as a single or joint report of the interdisciplinary evaluation team, or it may otherwise be constituted by the separate reports filed by each individual of the team. If the court and all parties to the proceeding and their attorneys agree to the admissibility of the report or reports, the report or reports shall be admitted into evidence and shall be considered by the court.

(6) Upon conclusion of a modification hearing without a jury, the court shall enter a written order setting forth the factual basis for its finding and may do any of the following:

(a) Dismiss the petition;

(b) Remove the guardian or conservator and dissolve the guardianship or conservatorship order;

(c) Remove the limited guardian, guardian, limited conservator, or conservator and appoint a successor;

(d) Modify the original guardianship or conservatorship order; or

(e) Make any other order which the court deems appropriate and in the best interest of the ward.

(7) If the original order is dissolved and no further order is issued, the ward shall be relieved of all legal disabilities. The court shall enter an order and judgment restoring to the person all of the rights and privileges of a citizen. The clerk shall note the judgment or modification in the book in which notices of actions and encumbrances are indexed.

(8) The clerk of the court shall transmit a certified copy of the restoration judgment or modification to the originating court, if the judgment or modification is ordered by a court other than the court in which the original judgment was entered.

Section 6. KRS 387.710 is amended to read as follows:

(1) Within sixty (60) days of appointment, the limited conservator or conservator shall file with the court a verified inventory of all the property of the ward which has come to his possession or knowledge, including a statement of all encumbrances, liens, and other secured claims on any item, any claims against the estate of the ward, and any cause of action accruing to the ward. ***The court may require in the inventory the limited conservator's or conservator's preliminary plan for preserving and maintaining the estate of which he has control or supervision.*** The limited conservator or conservator shall provide a copy thereof to the ward if he has sufficient mental capacity to understand it.

(2) (a) A limited conservator or conservator shall file with the court a verified report and financial account biennially within one hundred twenty (120) days after the anniversary date of his appointment. The report shall contain:

1. The present personal status of the ward whose estate is managed by the conservator;
2. The conservator's plan for preserving and maintaining the estate of which he has control or supervision;
3. The need for continuation or cessation of the conservatorship; and
4. The need for any alteration in the powers of the conservatorship.

(b) The biennial report shall specify the amount and type of real and personal property received by the conservator and remaining in his control or invested by him, the nature of such investment, and expenditures made during the preceding year. Upon request of the court, the conservator shall produce for examination any information or documentation which the court may consider relevant to the accounting of the financial and property transactions of the estate.

(c) ***The court may waive the filing of a biennial report, final settlement, or corporate surety bond for any year in which the ward's monthly income, on average, is under seven hundred dollars ($700) or in which the ward is Medicaid eligible. In all these cases, the guardian, conservator, or limited conservator shall file an affidavit stating the source of and amount of all income. All income shall be used for the support and maintenance of the ward***~~[If the ward has no real property and possesses personal property of two thousand five hundred dollars ($2,500) or less for any year during the biennial report, the guardian, conservator, or limited conservator may file an informal biennial financial report attesting to the identity of the ward's financial account and its current balance. If the balance does not exceed two thousand five hundred dollars ($2,500) for any year of the biennial report, the guardian, conservator, or limited conservator shall not be required to render to the court a detailed accounting of the expenditures from the fund, unless the court, on its own motion or that of any interested party or individual, deems it necessary to order the guardian, conservator, or limited conservator to provide a detailed biennial accounting, including the listing of all expenditures for that reporting period. For guardians filing an informal biennial financial report, the provisions of subsection (2)(a)2. of this section shall not apply]~~.

(3) Upon the resignation, removal, or death of a limited conservator or conservator, or on the termination of the conservatorship, the limited conservator or conservator, or his personal representative, shall forthwith submit a final report and account to the court and to the former ward and to the successor limited conservator or conservator, or, if the ward is deceased, to his personal representative, and shall pay over the trust estate to the person entitled thereto. Upon approval of the report and account, the limited conservator or conservator shall be discharged and his surety, if any, released.

Section 7. KRS 387.740 is amended to read as follows:

(1) The court may exercise the powers of a limited guardian or limited conservator or may appoint an individual or agency to exercise such powers if, during the pendency of a proceeding for a determination of partial disability or disability or an appeal therefrom, it appears that there is danger of serious impairment to the health or safety of the respondent or damage or dissipation to his property if immediate action is not taken.

(2) Prior to a hearing on the need for an emergency appointment of a limited guardian or limited conservator, a petition shall be filed which sets forth the following:

(a) The name, age, and address of the respondent;
(b) The danger alleged to be imminent;
(c) The type of appointment and the protection and assistance requested;
(d) The facts and reasons supporting the request;
(e) The name, address, and qualifications of the proposed limited guardian or limited conservator, if any;
(f) The name, address, and interest of the petitioner;
(g) The names and addresses of the respondent's next of kin, if known;
(h) The name and address of the individual or facility, if any, having custody of the respondent; and

(i) The date of filing of the petition for determination of disability or partial disability.

(3) Within one (1) week of the filing of a petition pursuant to this section, the court shall conduct a hearing ***from the bench and not before a jury, notwithstanding any provisions of KRS Chapter 387 to the contrary,*** at which the respondent shall be entitled to counsel. Notice of the time and place of the hearing shall be given not less than forty-eight (48) hours prior to the hearing to all persons named in the petition and to the county attorney.

(4) The burden shall be on the Commonwealth to prove by clear and convincing evidence the need for the emergency appointment of a limited guardian or conservator.

(5) If the court exercises the powers of a limited guardian or limited conservator or appoints another to do so in an emergency situation as set forth in subsection (1) of this section, the court shall state on the record findings of fact as to the danger determined to be imminent, the sources relied on in arriving at such determination, the type of assistance to be provided, and the powers and duties of the emergency guardian or conservator. The authority of the guardian or conservator shall expire upon resolution of the appeal or action.

Section 8. The following KRS section is repealed:

387.330 Petition for appointment of guardian or conservator conditioned on a contingency.

HB 242, AN ACT relating to claims against the state.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 44.070 TO 44.160 IS CREATED TO READ AS FOLLOWS:

In the event of a claim involving the wrongful death of a person any civil damages, including but not limited to loss of future earnings, shall be payable by the Board of Claims within the limits specified in this chapter.

HB 333, AN ACT relating to assault in the third degree.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 508.025 is amended to read as follows:

(1) A person is guilty of assault in the third degree when the actor:

(a) Recklessly, with a deadly weapon or dangerous instrument, or intentionally causes or attempts to cause physical injury to:

1. A state, county, city, or federal peace officer;
2. An employee of a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or adjudicated delinquent because of a public offense or as a youthful offender;
3. An employee of the Department for Community Based Services employed as a social worker to provide direct client services, if the event occurs while the worker is performing job related duties;~~[or]~~
4. A probation and parole officer; or
5. ***A transportation officer appointed by a county fiscal court to transport inmates when the county jail is closed; or***

(b) Being a person confined in a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or adjudicated delinquent because of a public offense or as a youthful offender, inflicts physical injury upon or throws or causes feces, or urine, or other bodily fluid to be thrown upon an employee of the facility.

(2) Assault in the third degree is a Class D felony.

The Committee Substitute to **HB 333** is as follows:

HB 333, AN ACT relating to assault in the third degree.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 508.025 is amended to read as follows:

(1) A person is guilty of assault in the third degree when the actor:

(a) Recklessly, with a deadly weapon or dangerous instrument, or intentionally causes or attempts to cause physical injury to:

1. A state, county, city, or federal peace officer;
2. An employee of a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or

adjudicated delinquent because of a public offense or as a youthful offender;

3. An employee of the Department for Community Based Services employed as a social worker to provide direct client services, if the event occurs while the worker is performing job related duties;[~~ or~~]

4. A probation and parole officer; or

5. A transportation officer appointed by a county fiscal court to transport inmates when the county jail is closed while the transportation officer is performing job related duties; or

(b) Being a person confined in a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or adjudicated delinquent because of a public offense or as a youthful offender, inflicts physical injury upon or throws or causes feces, or urine, or other bodily fluid to be thrown upon an employee of the facility.

(2) Assault in the third degree is a Class D felony.

HB 394, AN ACT relating to powers of attorney.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 13 of this Act:

(1) "Attorney-in-fact" means the person designated in a power of attorney to do acts authorized in that document on behalf of the principal named in that document.

(2) "Principal" means the person authorizing an attorney-in-fact to act on his behalf in a power of attorney document.

(3) "Power of attorney" refers to the agency relationship or the written document delineating the relationship between the attorney-in-fact and the principal.

SECTION 2. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

An attorney-in-fact shall exercise all powers granted under a power of attorney in a fiduciary capacity and shall act with utmost good faith, fair dealing, full disclosure, and fidelity toward the principal.

SECTION 3. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

The following requirements shall be met for a power of attorney to be valid:

(1) The attorney-in-fact shall be eighteen (18) years of age or older and shall be of sound mind at the outset of the relationship and thereafter.

(2) The power of attorney shall be in writing and signed and dated by either:

(a) The principal; or

(b) In the principal's name by some other person in the principal's actual presence and at the principal's direction.

The signature shall be notarized.

(3) The power of attorney shall contain a conspicuous statement at the end of the document that it may be revoked by any method set out in Section 7 of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

Unless expressly authorized to do so in the power of attorney document, an attorney-in-fact shall not:

(1) Take a fee for services as an attorney-in-fact.

(2) Create, modify, or revoke a trust.

(3) Fund with the principal's property a trust not created by the principal or by a person authorized to create a trust on behalf of the principal.

(4) Make or revoke a gift of the principal's property in trust or otherwise.

(5) Exercise the right to make a disclaimer on behalf of the principal, except for disclaimer of a detrimental transfer made with the approval of the court.

(6) Create or change survivorship interests in the principal's property or in property in which the principal may have an interest.

(7) Designate or change the designation of beneficiaries to receive any property, benefit, or contract right on the principal's death.

SECTION 5. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

No power of attorney may authorize an attorney-in-fact to perform any of the following acts:

(1) Make, publish, declare, amend, or revoke the principal's will.

(2) Perform duties under a contract that requires the principal's personal services.

(3) Make any affidavit as to the principal's personal knowledge.

(4) Vote in any public election on behalf of the principal.

(5) Exercise powers and authority granted to the principal as trustee or as a court-appointed fiduciary.

(6) Make a loan to the attorney-in-fact.

SECTION 6. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

The following persons are prohibited from being witnesses or notarizing the signatures on a power of attorney and from being witnesses under Section 7 of this Act:

(1) Anyone under the age of eighteen (18).

(2) A person named in the power of attorney.

(3) A person related to the principal or the attorney-in-fact by consanguinity or affinity.

(4) A beneficiary of the principal under an existing will or trust, or under the descent and distribution statutes of the Commonwealth.

SECTION 7. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

(1) A power of attorney shall be revoked by:

(a) A subsequent conflicting power of attorney.

(b) A writing declaring an intention to revoke the power of attorney, which has been executed in the same manner as provided for the execution of an original power of attorney.

(c) Destruction of the document, in the presence of a qualified witness, by the principal or by some person at the principal's direction.

(d) The death of the principal.

(e) Appointment of a guardian.

(f) Appointment of a limited guardian or conservator to the extent that the appointment conflicts with the authority set out in the power of attorney.

(2) For the purposes of subsection (1)(a) of this section, the existence of more than one power of attorney where each existing power of attorney acknowledges the existence of the others does not, in and of itself, qualify as a conflict sufficient to trigger this section's automatic revocation provisions.

SECTION 8. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

(1) Until the attorney-in-fact receives actual notice of the principal's revocation, all of the acts done by the attorney-in-fact pursuant to the power of attorney have the same effect and bind the principal or his estate as if the principal had not revoked the power of attorney.

(2) In addition to any other means of providing actual notice, the attorney-in-fact shall be deemed to have received actual notice of a revocation if a document evidencing the revocation is sent by certified mail, return receipt requested, to the last known address of the attorney-in-fact.

SECTION 9. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

Third parties who exercise due diligence and act in good faith reliance upon the attorney-in-fact's authority shall be held harmless by the principal or his estate from any loss suffered or liability incurred as a result of actions taken prior to receipt of written notice of revocation of the power of attorney or a proceeding to determine the principal's incapacity. Third parties who exercise due diligence and act in good faith upon any representation, direction, decision, or act of the attorney-in-fact shall not be liable to the principal or the principal's estate for their acts.

SECTION 10. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

(1) The attorney-in-fact shall keep a complete record of all transactions entered into by the attorney-in-fact on the principal's behalf.

(2) The attorney-in-fact shall render, not later than sixty (60) days after receipt of a written request, an accounting of transactions entered into on the principal's behalf:

(a) Upon request of the principal or the principal's guardian, limited guardian, conservator, or personal representative;

(b) Pursuant to a court order; and

(c) As otherwise specified in the power of attorney.

(3) The records of the attorney-in-fact pertaining to the power of attorney may be inspected and copied by:

(a) The principal or the principal's guardian, conservator, or personal representative; or

(b) Pursuant to court order.

(4) If an attorney-in-fact fails to deliver a complete accounting or produce records as required by this section, the person requesting the accounting or records may compel the accounting or production through a mandamus action in District Court. The prevailing party may recover attorney's fees and court costs if the court finds that the attorney-in-fact intentionally failed to render an accounting or produce the records or acted to frustrate the accounting or record

production.

(5) Persons authorized to bring an action under subsection (4) of this section shall be allowed to bring an action alleging a breach of any duty imposed by Sections 1 to 13 of this Act or as otherwise might be brought by the principal against the attorney-in-fact under the law of the Commonwealth.

(6) Actions brought under this section, either by way of amendment of the complaint in the mandamus action provided for in subsection (4) of this section, or otherwise, shall rise to the top of the docket and be addressed by the court with all possible speed.

(7) The provisions of this section are not subject to limitation or waiver in the power of attorney.

SECTION 11. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

In addition to any other allowable venue, venue in any civil action arising from Sections 1 to 13 of this Act shall be proper in the county in which the principal resides.

SECTION 12. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

The provisions of Sections 1 to 13 of this Act shall apply only to powers of attorney executed after the effective date of this Act.

SECTION 13. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 13 of this Act may be cited as the Kentucky Power of Attorney Act.

The Committee Substitute to **HB 394** is as follows:

HB 394, AN ACT relating to powers of attorney.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 12 of this Act:

(1) "Attorney-in-fact" means the person designated in a power of attorney to do acts authorized in that document on behalf of the principal named in that document.

(2) "Principal" means the person authorizing an attorney-in-fact to act on his behalf in a power of attorney document.

(3) "Power of attorney" refers to the agency relationship or the written document delineating the relationship between the attorney-in-fact and the principal.

SECTION 2. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

An attorney-in-fact shall exercise all powers granted under a power of attorney in a fiduciary capacity and shall act with utmost good faith, fair dealing, full disclosure, and fidelity toward the principal.

SECTION 3. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

The following requirements shall be met for a power of attorney to be valid:

(1) The attorney-in-fact shall be eighteen (18) years of age or older and shall be of sound mind at the outset of the relationship and thereafter.

(2) The power of attorney shall be in writing and signed and dated by:

(a) The principal; or

(b) The principal's mark as attested by two (2) witnesses.

The signature shall be notarized.

(3) The power of attorney shall contain a statement at the end of the document that it may be revoked by any method set out in Section 5 of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

No general power of attorney may authorize an attorney-in-fact to perform any of the following acts:

(1) Make, publish, declare, amend, or revoke the principal's will.

(2) Perform duties under a contract that requires the principal's personal services.

(3) Make any affidavit as to the principal's personal knowledge.

(4) Vote in any public election on behalf of the principal.

(5) Exercise powers and authority granted to the principal as trustee or as a court-appointed fiduciary.

(6) Make a loan to the attorney-in-fact.

(7) Take a fee for services as an attorney-in-fact.

(8) Create, modify, or revoke a trust.

(9) Fund with the principal's property a trust not created by the principal or by a person authorized to create a trust on behalf of the principal.

(10) Make or revoke a gift of the principal's property in trust or otherwise, unless the authority to make the gift is expressly stated in the power of attorney.

(11) Exercise the right to make a disclaimer on behalf of the principal, except for disclaimer of a detrimental transfer made with the approval of the court.

(12) Create or change survivorship interests in the principal's property or in property in which the principal may have an interest.

(13) Designate or change the designation of beneficiaries to receive any property, benefit, or contract right on the principal's death.

SECTION 5. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

(1) A power of attorney shall be revoked by:

(a) A subsequent conflicting power of attorney.

(b) A writing declaring an intention to revoke the power of attorney, which has been executed in the same manner as provided for the execution of an original power of attorney.

(c) Destruction of the document.

(d) The death of the principal.

(e) Appointment of a guardian.

(f) Appointment of a limited guardian or conservator to the extent that the appointment conflicts with the authority set out in the power of attorney.

(2) For the purposes of subsection (1)(a) of this section, the existence of more than one power of attorney where each existing power of attorney acknowledges the existence of the others does not, in and of itself, qualify as a conflict sufficient to trigger this section's automatic revocation provisions.

SECTION 6. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

(1) Until the attorney-in-fact receives actual notice of the principal's revocation, all of the acts done by the attorney-in-fact pursuant to the power of attorney have the same effect and bind the principal or his estate as if the principal had not revoked the power of attorney.

(2) In addition to any other means of providing actual notice, the attorney-in-fact shall be deemed to have received actual notice of a revocation if a document evidencing the revocation is sent by certified mail, return receipt requested, to the last known address of the attorney-in-fact.

SECTION 7. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

Third parties who exercise due diligence and act in good faith reliance upon the attorney-in-fact's authority shall be held harmless by the principal or his estate from any loss suffered or liability incurred as a result of actions taken prior to receipt of written notice of revocation of the power of attorney or a proceeding to determine the principal's incapacity. Third parties who exercise due diligence and act in good faith upon any representation, direction, decision, or act of the attorney-in-fact shall not be liable to the principal or the principal's estate for their acts.

SECTION 8. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

In addition to any other allowable venue, venue in any civil action arising from Sections 1 to 12 of this Act shall be proper in the county in which the principal resides.

SECTION 9. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

The provisions of Sections 1 to 12 of this Act:

(1) Shall apply only to powers of attorney executed after the effective date of this Act; and

(2) Shall not apply to a limited or special power of attorney executed for a limited or specific purpose.

SECTION 10. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

A general power of attorney, unless expressly limited by its own terms, shall be rebuttably presumed to be a durable power of attorney.

SECTION 11. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

(1) Where a power of attorney grants authority as to medical decision-making, the attorney-in-fact may make health care decisions for the principal which the principal could make individually if he or she had decisional capacity, provided all the decisions shall be made in accordance with the desires of the principal. When making any health care decision for the principal, the attorney-in-fact shall consider the recommendation of the attending physician.

(2) The attorney-in-fact may not make a health care decision in any situation in which the principal's attending physician has determined in good faith that the principal has decisional capacity. The attending physician may proceed as if there were no attorney-in-fact if the attorney-in-fact is unavailable or refuses to make a health care decision.

SECTION 12. A NEW SECTION OF KRS CHAPTER 454 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 12 of this Act may be cited as the Kentucky Power of Attorney Act.

HB 487, AN ACT relating to the Department of Public Advocacy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31.010 is amended to read as follows:

There is hereby established as an independent agency of state government, attached for administrative purposes to the Public Protection and Regulation Cabinet, the Department of Public Advocacy, in order to provide for the establishment, maintenance and operation of a state sponsored and controlled system for:

(1) The representation of indigent persons accused of crimes or mental states which may result in their incarceration or confinement; and

(2) The pursuit of legal, administrative, and other appropriate remedies to insure the protection of the rights of ***persons with disabilities***[~~the developmentally disabled~~]. For the purposes of this chapter, "***persons with disabilities***[~~developmentally disabled~~]" shall ***refer to those persons eligible for protection and advocacy services under Public Laws 99-319, 102-569, 103-218, 106-170, and 106-402***[~~be defined as provided in Public Law 94-103, or~~] as amended ***and any other federal enabling statute hereafter enacted that defines the eligible client base for protection and advocacy services***.

Section 2. KRS 31.015 is amended to read as follows:

(1) ***(a)*** The Public Advocacy Commission shall consist of the following members, none of whom shall be a prosecutor***,***[~~ or~~] law enforcement official***, or judge***, who shall serve terms of four (4) years, except the initial terms shall be established as hereafter provided:

1.[~~(a)~~] Two (2) members appointed by the Governor;

2.[~~(b)~~] One (1) member appointed by the ***Governor. This member shall be a child advocate or a person with substantial experience in the representation of children***[~~Speaker of the House of Representatives~~];

3.[~~(c)~~] One (1) member ***who is the executive director of the Criminal Justice Council of the Justice Cabinet***[~~appointed by the President Pro Tem of the Senate~~];

4.[~~(d)~~] Two (2) members appointed by the Kentucky Supreme Court;

5.[~~(e)~~] Two (2) members, who are licensed to practice law in Kentucky and have substantial experience in the representation of persons accused of crime, appointed by the Governor from a list of ***three (3)***[~~five (5)~~] persons submitted to him ***for each individual vacancy*** by the board of governors of the Kentucky Bar Association;

6.[~~(f)~~] The dean, ex officio, of each of the law schools in Kentucky or his designee; and

7.[~~(g)~~] One (1) member appointed by the Governor from a list of three (3) persons submitted to him ***or her*** by the ***joint advisory boards of the Protection and Advocacy Division of the Department of Public Advocacy***[~~Kentucky Protection and Advocacy Advisory Board~~].

(b) Any member of the commission serving prior to the effective date of this Act shall serve until the expiration of his or her current term of office. Subsequent appointments shall be for a term of four (4) years from the date of expiration of the term for which his or her predecessor was appointed.

(2) At the first meeting of the commission, a drawing by lot shall be conducted to determine the length of each original member's term. Initially there shall be four (4) two (2) year terms, four (4) three (3) year terms, and four (4) four (4) year terms. Vacancies in the membership of the commission shall be filled in the same manner as original appointments. Appointments to fill vacancies occurring before the expiration of a term shall be for the remainder of the unexpired term.

(3) The commission shall first meet at the call of the Governor and thereafter as the commission shall determine on a regular basis, but at least quarterly, and shall be presided over by a chairperson elected by its members for a one (1) year term. A majority of commission members shall constitute a quorum, and decisions shall require the majority vote of those present; except that a recommendation to the Governor pertaining to the appointment, renewal of the appointment, or removal of the public advocate shall require a majority vote of the commission. Each member of the commission shall have one (1) vote, and voting by proxy shall be prohibited.

(4) The public advocate shall, upon appointment or renewal, be an ex officio member of the commission without vote, shall serve as secretary of the commission, and shall be entitled to attend and participate in all meetings of the commission except discussions relating to renewal of his term or his removal.

(5) Commission members[~~ shall serve without compensation but~~] shall be reimbursed for reasonable and necessary expenses incurred while engaged in carrying out the duties of the commission ***and shall receive one hundred dollars ($100) per day for each meeting attended unless prohibited by law from receiving such compensation***.

(6) The commission shall:

(a) Receive applications, interview, and recommend to the Governor three (3) attorneys as nominees for appointment as the public advocate;

(b) Assist the public advocate in drawing up procedures for the selection of his staff;

(c) Review the performance of the public advocacy system and provide general supervision of the public advocate;

(d) Assist the Department of Public Advocacy in ensuring its independence through public education regarding the purposes of the public advocacy system; and

(e) Review and adopt an annual budget prepared by the public advocate for the system and provide support for budgetary requests to the General Assembly.

(7) In no event shall the commission or its members interfere with the discretion, judgment or advocacy of employees of the Department of Public Advocacy in their handling of individual cases.

Section 3. KRS 31.030 is amended to read as follows:

The ***authority and*** duties of the Department of Public Advocacy shall include, but are not limited to:

(1) Administering the statewide public advocacy system created by this chapter or by any other appropriate legislation or court decision;

(2) Providing technical aid to local counsel representing indigents;

(3) Assisting local counsel on appeals or taking appeals for local counsel, in the same manner as such appeals for the Commonwealth are presently handled by the Attorney General;

(4) Developing and promulgating standards and regulations, rules, and procedures for administration of the defense of indigent defendants in criminal cases which the public advocate, statutes, or the courts determine are subject to public assistance;

(5) Appointing ***assistant***[~~district~~] public advocates;

(6) Reviewing local plans for providing counsel for indigents;

(7) Conducting research into***, and developing and implementing*** methods of***,*** improving the operation of the criminal justice system with regard to indigent defendants and other defendants in criminal actions;

(8) Issuing such rules, regulations, and standards as may be reasonably necessary to carry out the provisions of this chapter, the decisions of the United States Supreme Court, the decisions of the Kentucky Supreme Court, Court of Appeals, and other applicable court decisions or statutes;

(9) Being authorized to pursue legal, administrative, and other appropriate remedies to insure the protection of the rights of ***persons with disabilities***[~~the developmentally disabled~~];[~~ and~~]

(10) ***Being authorized to purchase liability insurance for the protection of all full-time public advocates to protect them from liability for malpractice arising in the course or scope of employment and for the protection of attorneys with whom the Department of Public Advocacy contracts to protect them from liability for malpractice arising in the course or scope of the contract;***

(11) Being authorized to seek and apply for and solicit funds for the operation of the defense of the indigent, or protection of the persons with disabilities programs from any source, public or private, and to receive donations, grants, awards, and similar funds from any legal source. Those funds shall be placed in a special account for the Department of Public Advocacy and those funds shall not lapse;

(12) Being authorized to assign a substitute attorney, for good cause, at any stage of representation, including appeal or other post-conviction proceeding. The substitute attorney shall have the same functions with respect to the needy person as the attorney for whom he or she is substituted; and

(13) Do such other things and institute such other programs as are reasonably necessary to carry out the provisions of this chapter, or those decisions or statutes which are the subject of subsection (8) of this section.

Section 4. KRS 31.035 is amended to read as follows:

(1) There shall be[~~ an~~] advisory ***boards***[~~Board~~] for the Protection and Advocacy Division of the Department of Public Advocacy ***as set forth in Public Laws 99-319 and 106-402 and their implementing regulations. Each shall be*** comprised of not more than seventeen (17) citizen members appointed for ***terms of not less than***[~~a term of~~] two (2) years by the ***Protection and Advocacy Division Director***[~~public advocate. The board members shall be either developmentally disabled themselves or parents or representatives of persons who are developmentally disabled~~].

(2) The advisory ***boards***[~~board~~] shall meet at least quarterly and on other occasions as may be necessary upon the call of the ***Protection and Advocacy Division Director***[~~public advocate~~].

(3) The members of the advisory ***boards***[~~board~~] shall receive no compensation for their services, but shall be reimbursed for all expenses incurred through the performance of their duties as members of ***their respective***[~~the~~] advisory board. No member of ***any***[~~the~~] board shall be held to be a public officer by reason of his ***or her*** membership on the board.

Section 5. KRS 31.050 is amended to read as follows:

(1) The public advocate shall review and approve or deny or suggest modifications to all plans which are submitted to the Department of Public Advocacy for defense of indigent persons.

(2) If the plan for defense of indigent persons is approved, the public advocate may allot a sufficient sum, subject to the approval of the secretary of the Finance and Administration Cabinet to the county or counties in the judicial circuit involved for the purpose of assisting the said plan.[~~ The moneys shall be divided among the counties in the circuit as~~

~~provided by the plan which is submitted.~~]

(3) At the end of each funding period, any moneys not expended shall revert to the state Department of Public Advocacy.

(4) Counties*, urban-counties, charter counties, consolidated local governments,* and other units submitting applications under this chapter shall be obligated to pay and shall pay all costs incurred in their own defense of indigent programs which are in excess of the maximum amount allotted or other maximum amount of grant as specified in this chapter.

(5) The fiscal court; legislative body of the urban-county, charter county, or consolidated local government; or nonprofit corporation is authorized to seek and apply for and solicit funds for the operation of the defense of the indigent from any source, public or private, and to receive donations, grants, awards, and similar funds from any legal source.

(6) A defending attorney shall keep appropriate records respecting each needy person whom he or she represents under this chapter.

(7) The public advocate, nonprofit organization, or person administering a public advocacy plan shall submit an annual report to the Department of Public Advocacy showing the number of persons represented under this chapter, the crimes involved, the outcome of each case, and the expenditures, totalled by kind, made in carrying out the responsibilities imposed by this chapter.

Section 6. KRS 31.060 is amended to read as follows:

(1) Each county*, urban-county, charter county, and consolidated local government* with a judicial district containing ten (10) or more circuit judges shall establish and maintain an office *of*[~~for district~~] public advocacy and submit a plan for the operation thereof to the Department of Public Advocacy. If the plan submitted is approved by the Department of Public Advocacy, the public advocate shall grant to the county*, urban-county, charter county, or consolidated local government* the amount to which it would be entitled under KRS 31.050(2) which shall be used as the Commonwealth's share in defraying the expenses of the program in that *county, urban-county, charter county, or consolidated local government*[~~district. The county and other units contributing to the costs of the program shall be obligated to pay and shall pay all costs incurred in the operation of the defense of the indigents program which are in excess of the state contribution. Any excess of moneys remaining at the end of the funding period shall be returned to the Department of Public Advocacy~~].

(2) A county, urban-county, charter county, or consolidated local government identified in subsection (1) of this section shall contribute to the funding of the plan selected and approved in such amounts as the Department of Public Advocacy shall deem reasonable and necessary.

Section 7. KRS 31.065 is amended to read as follows:

(1) (a) The fiscal court of each county; or legislative body of an urban-county, charter county, or consolidated local government; except a county, urban-county, charter county, or consolidated local government wherein the judicial district is required to maintain a public advocate under this chapter, may provide for the representation of needy persons by:

1. Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations, or an association of attorneys to provide the legal services required in this chapter, provided there are suitable attorneys available willing to provide these services for reasonable compensation;

2. Establishing and maintaining an office for public advocacy; or

3. Adopting any combination of the options provided for in subparagraphs 1. and 2. of this paragraph.

(b) The fiscal court of a county; or the legislative body of an urban-county, charter county, or consolidated local government; may join with one (1) or more other counties, urban-counties, charter counties, or consolidated local governments in its judicial district or elsewhere or with any cities located within the county, urban-county, charter county, or consolidated local government or counties, urban-counties, charter counties, or consolidated local governments in providing this representation. These agreements shall be made pursuant to the provisions of KRS Chapter 65.

(c) If it elects to establish and maintain an office of public advocacy, and if the appropriate legislative authorities and fiscal courts concerned respectively agree on qualifications, term of office, compensation, support, and appointment under subsection (1) of Section 8 of this Act, the fiscal court of a county; or the legislative body of an urban-county, charter county, or consolidated local government; may join with cities within the county, urban-county, charter county, or consolidated local government and with the legislative body of one (1) or more other counties, urban-counties, charter counties, or consolidated local governments to establish and maintain a joint office of public advocacy. In that case, the participating counties, urban-counties, charter counties, or consolidated local governments shall be treated for the purposes of this chapter as if they were one (1) county, urban-county, charter county, or consolidated local government. The agreements shall be made pursuant to the provisions of KRS Chapter 65.

(2) If a county*, urban-county, charter county, or consolidated local government*[~~ or district~~] chooses *not to submit a plan under subsection (1) of this section,*[~~none of the alternatives provided by KRS 31.160~~] or if a plan submitted to the public advocate is denied as provided by KRS 31.050, then the public advocate may establish for a county containing less than ten (10) Circuit Judges or a group of counties a local public advocacy system by:

(a)[~~(1)~~] Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations, or

an association of attorneys to provide the legal services required in this chapter; provided there are suitable attorneys available who are willing to provide those services for reasonable compensation; or

(b)[~~(2)~~] Providing an office ***of***[~~for district~~] public advocacy, which shall be staffed by ***an assistant***[~~a district~~] public advocate ***who directs the office and*** who shall be an attorney, and any number of assistant district public advocates and other personnel necessary to perform adequately the functions of said office.

Section 8. KRS 31.170 is repealed, reenacted as a new section of KRS Chapter 31 to be numbered as KRS 31.071, and amended to read as follows:

(1) If the fiscal court of a county***; or legislative body of an urban-county, charter county, or consolidated local government;*** elects to establish and maintain an office for public advocacy, it shall:

(a) Appoint the[~~ district~~] public advocate and any number of assistant[~~ district~~] public advocates necessary to adequately perform the functions of said office.

(b) Prescribe the qualifications of the[~~ district~~] public advocate, his term of office which may not be more than four (4) years and fix the rate of annual compensation for him and his assistants. In order to be qualified for appointment as[~~ district~~] public advocate a person must have been admitted to the practice of law and licensed to practice in the Commonwealth of Kentucky and be competent to counsel and defend a person charged with a crime.

(c) Provide for the establishment, maintenance and support of ***the***[~~his~~] office.

(2) If the fiscal court of a county***; or the legislative body of an urban-county, charter county, or consolidated local government;*** elects to arrange with a nonprofit organization to provide attorneys, the county***, urban-county, charter county, or consolidated local government*** and any cities involved ***shall provide for the establishment, maintenance, and support of that organization or shall***[~~may~~] reimburse the organization for such expenses[~~ as the fiscal courts respectively concerned have determined to be necessary in the representation of needy persons under this chapter, or may provide facilities described in KRS 31.180(2)(a) in addition to or in lieu of said reimbursement~~].

(3) If, in a county where the fiscal court***; or in an urban-county, charter county, or consolidated local government where the legislative body;*** has elected to provide representation under subsection (1) or (2) of this section, after finding that the fiscal court***, or legislative body,*** fails to provide an attorney to a person eligible for representation under KRS Chapter 31, a court assigns, under the court's inherent authority, an attorney to represent a needy person it shall prescribe a reasonable rate of compensation for his services and shall determine the direct expenses necessary to representation for which he would be reimbursed. The county***, urban-county, charter county, or consolidated local government*** shall pay the attorney the amounts so prescribed from the funds made available by the Department of Public Advocacy.

(4) An attorney under subsection (3) shall be compensated for his services with regard to the complexity of the issues, the time involved, and other relevant considerations. However, no fee shall be paid in excess of the prevailing maximum fee per attorney paid by the Department of Public Advocacy for the type of representation provided, and no hourly rate shall be paid in excess of the prevailing hourly rate paid by the Department of Public Advocacy for the type of representation provided.

Section 9. KRS 31.165 is repealed, reenacted as a new section of KRS Chapter 31 to be numbered as KRS 31.085, and amended to read as follows:

All plans authorized by ***this chapter***[~~KRS 31.160~~] shall conform to all rules and regulations promulgated by the Department of Public Advocacy.

Section 10. KRS 31.100 is amended to read as follows:

[~~With regard to the district public advocate and approved local programs of providing counsel for indigents~~]The following terms and standards shall apply, subject to further definition and regulation by the Department of Public Advocacy.

(1) "Detain" means to have in custody or otherwise deprive of freedom of action;

(2) "Expenses," when used with reference to representation under this chapter, includes the expenses of investigation, other preparation, and trial, together with the expenses of any appeal;

(3) "Needy person" or "indigent person" means:

(a) A person, eighteen (18) years of age or older, or emancipated minor under the age of eighteen (18), who at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;

(b) A minor, under the age of eighteen (18), who is party defendant in an action ***of being an habitual runaway from his or her parent or person exercising control or supervision of the child brought under KRS 630.020(1) or of being beyond the control of parents*** brought under KRS 630.020(2), and at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;

(c) An unemancipated minor, under the age of eighteen (18), ***who allegedly has***[~~alleged to have~~] committed an offense as described in KRS 610.010(1)(a), ***or who allegedly is beyond the control of the school as described in KRS 610.010(1)(b), or who allegedly is an habitual truant from school as described in KRS 610.010(1)(c), or who allegedly is an habitual runaway as described in KRS 610.010(1)(d),*** whose custodial parent or guardian at the time the need of the minor is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation, and who cannot personally so provide; or

(d) An unemancipated minor, under the age of eighteen (18), alleged to have committed an offense as described in KRS 610.010(1)(a), ***(b), (c), or (d),*** whose custodial parent or guardian at the time the need of the minor is determined ***has interests adverse to the child relevant to the charged offenses and who*** is able to provide for the payment of an attorney and all other necessary expenses of representation, when such representation is not provided or is not consented to by the unemancipated minor;

(4) "Serious crime" includes:

(a) A felony;

(b) A misdemeanor or offense any penalty for which includes the possibility of confinement~~[or a fine of five hundred dollars ($500) or more]~~;

(c) Any legal action which could result in the detainment of a defendant; and

(d) An act that, but for the age of the person involved, would otherwise be a serious crime.

Section 11. KRS 31.110 is amended to read as follows:

(1) A needy person who is being detained by a law enforcement officer, on suspicion of having committed, or who is under formal charge of having committed, or is being detained under a conviction of, a serious crime, ***or who is accused of having committed a public or status offense or who has been committed to the Department of Juvenile Justice or Cabinet for Families and Children for having committed a public or status offense as those are defined by KRS 630.020(2) or KRS 610.010(1)(a), (b), (c), or (d)*** is entitled:

(a) To be represented by an attorney to the same extent as a person having his own counsel is so entitled; and

(b) To be provided with the necessary services and facilities of representation including investigation and other preparation. The courts in which the defendant is tried shall waive all costs.

(2) A needy person who is entitled to be represented by an attorney under subsection (1) is entitled:

(a) To be counseled and defended at all stages of the matter beginning with the earliest time when a person providing his own counsel would be entitled to be represented by an attorney and including revocation of probation or parole;

(b) To be represented in any appeal; and

(c) To be represented in any other post-conviction***, or, if a minor under the age of eighteen (18), post-disposition*** proceeding that the attorney and the needy person considers appropriate. However, if the counsel appointed in such post-conviction***, or, if a minor under the age of eighteen (18), post-disposition*** remedy, with the court involved, determines that it is not a proceeding that a reasonable person with adequate means would be willing to bring at his own expense, there shall be no further right to be represented by counsel under the provisions of this chapter.

(3) A needy person's right to a benefit under subsection (1) or (2) is not affected by his having provided a similar benefit at his own expense, or by his having waived it, at an earlier stage.

(4) A person, whether a needy person or not, who is a minor under the age of eighteen (18) and who is in the custody of the Department of Juvenile Justice and is residing in a residential treatment center or detention center is entitled to be represented on a legal claim related to his or her confinement involving violations of federal or state statutory rights or constitutional rights.

Section 12. KRS 31.120 is amended to read as follows:

(1) The determination of whether a person covered by KRS 31.110 is a needy person shall be deferred no later than his first appearance in court or in a suit for payment or reimbursement under ***Section 14 of this Act***~~[KRS 31.150]~~, whichever occurs earlier. Thereafter, the court concerned shall determine, with respect to each step in the proceedings, whether he is a needy person. However, nothing herein shall prevent appointment of counsel at the earliest necessary proceeding at which the person is entitled to counsel, upon declaration by the person that he is needy under the terms of this chapter. In that event, the person involved shall be required to make reimbursement for the representation involved if he later is determined not a needy person under the terms of this chapter.~~[At arraignment, the court shall conduct a nonadversarial hearing to determine whether a person who has requested a public defender is able to pay a partial fee.]~~

(2) In determining whether a person is a needy person and in determining the extent of his, and, in the case of an unemancipated minor under KRS 31.100(3)(c), his custodial parent's or guardian's inability to pay, the court concerned shall consider such factors as***:***

(a) Income***;***~~[,]~~

(b) Source of income;

(c) Property owned***;***~~[,]~~

(d) Number of motor vehicles owned and in working condition;

(e) Other assets;

(f) Outstanding obligations***;***~~[, and]~~

(g) The number and ages of his ***or her*** dependents***;***

(h) The poverty level income guidelines compiled and published by the United States Department of Labor;

(i) Complexity of the case;

(j) Amount a private attorney charges for similar services;

(k) Amount of time an attorney would reasonably spend on the case; and

(l) Any other circumstances presented to the court relevant to financial status.

Release on bail, or any other method of release provided in KRS Chapter 431, shall not necessarily prevent him from being a needy person. In each case, the person, and, if an unemancipated minor under KRS 31.100(3)(c) and (d), his custodial parent or guardian, subject to the penalties for perjury, shall certify by affidavit of indigency which shall be compiled by the pretrial release officer, as provided under KRS Chapter 431 and Supreme Court Rules or orders promulgated pursuant thereto, the material factors relating to his ability to pay in the form the Supreme Court prescribes.

(3)[~~It shall be prima facie evidence that a person is not indigent or needy within the meaning of this chapter if he and, in the case of an unemancipated minor under KRS 31.100(3)(c) and (d), if his custodial parent or guardian:~~

~~(a) Owns real property in the Commonwealth or without the Commonwealth;~~

~~(b) Is not receiving, or if not receiving is not eligible to receive, public assistance payments at the time the affidavit of indigency is executed;~~

~~(c) Has paid money bail (other than a property bond of another), whether deposited by himself or another, to secure his release from confinement on the present charge of which he stands accused or convicted; or~~

~~(d) Owns more than one (1) motor vehicle.~~

~~(4) To the extent that a person covered by KRS 31.110, and, in the case of an unemancipated minor under KRS 31.100(3)(c) and (d), his custodial parent or guardian, is able to provide for an attorney, the other necessary services and facilities of representation, and court costs, the court shall order payment in an amount determined by the court and may order that the payment be made in a lump sum or by installment payments. The determination shall be made at each stage of the proceedings.~~

~~(5) The court shall order all moneys collected pursuant to subsection (4) of this section be paid to the clerk of that court pursuant to the schedule of payment. The clerk shall forward to the Department of Public Advocacy on a monthly basis a copy of all the orders or an electronic report compiled by the Administrative Office of the Courts listing those orders. Additionally, the clerk shall forward to the Department of Public Advocacy on a monthly basis an accounting of and the moneys collected in each case.~~

~~(6)~~] The affidavit of indigency, to be subscribed and sworn to by the person, and, in the case of an unemancipated minor under KRS 31.100(3)(c), by his custodial parent or guardian, shall be as set out herein ***and contain, at a minimum, the following information***:

"Commonwealth of Kentucky

County of...............

Affiant........................, being first duly sworn says that he ***or she*** is not now represented by private counsel and that he does not have the money or assets out of which to employ one; that he ***or she*** is indigent and requests the court to appoint counsel.

Affiant states that he or she is presently (fill in the blank with one (1) of the following: unemployed, employed full-time, employed part-time, or employed on a seasonal basis).............

Affiant states that his ***or her weekly*** income is ....; ***and*** that he ***or she receives (circle any of the following which apply and fill in the blank if necessary)***

Welfare

Food stamps

Social Security

Workers' compensation

Unemployment

Retirement disability

Other.......................

Affiant states that he or she owns the following property:

Description	Value
....	....
....	....
....	.........................;

Affiant states that he ***or she*** has the following dependents:

Name	Age	Relationship
....	....	....
....	....	....
....	....	.........................;

Affiant states[~~and~~] that he ***or she*** has the following obligations:

To whom owed	Amount owing
....	....
....	....
....	....

....

Affiant understands and has been advised that he or she may be required to pay an administrative fee of fifty-two dollars and fifty cents ($52.50) and may be held responsible for the payment of part of the cost of legal representation. Affiant also understands that the cost of payment for legal representation will be determined by the judge after considering affiant's financial condition, what private attorneys charge for similar services, how complicated the affiant's case is, and the amount of time affiant's attorney spends on affiant's case.

Signature of affiant

Subscribed and sworn to before me this ...., day of ...., 20[~~19~~].....

....

Signature and title of officer
administering the oath

Perjury Warning: ***Affiant understands that*** any ***person knowingly***[~~persons~~] making false statements in the above affidavit shall be subject to the penalties for perjury under KRS Chapter 523, the maximum penalty for which is five (5) years imprisonment. "***Affiant declares under penalty of perjury that he or she has read the above affidavit and that it is true and complete to the best of his or her knowledge.***"

Section 13. KRS 31.185 is amended to read as follows:

(1) Any defending attorney operating under the provisions of this chapter is entitled to use the same state facilities for the evaluation of evidence as are available to the attorney representing the Commonwealth. If he ***or she*** considers their use impractical, the court concerned may authorize the use of private facilities to be paid for on court order ***from the special account of the Finance and Administration Cabinet***[~~by the county~~].

(2) ***Upon request, the court shall permit the request for funds on behalf of the needy person be made by the defending attorney ex parte and on the record.***

(3) Any direct expense, including the cost of a transcript or bystander's bill of exceptions or other substitute for a transcript that is necessarily incurred in representing a needy person under this chapter, is a charge against the county, urban-county, charter county, or consolidated local government on behalf of which the service is performed and shall be paid from the special account established in subsection (4) of this section and in accordance with procedures provided in subsection (5) of this section. However, such a charge shall not exceed the established rate charged by the Commonwealth and its agencies.

(4) The fiscal court of each county or legislative body of an urban-county government shall annually appropriate twelve and a half cents ($0.125) per capita of the population of the county, as determined by the Council of Local Governments' most recent population statistics, to a special account to be administered by the Finance and Administration Cabinet to pay court orders entered against counties pursuant to subsection (1) ***or (3)*** of this section. The funds in this account shall not lapse and shall remain in the special account.

(5)[~~(3)~~] The Finance and Administration Cabinet shall pay all court orders entered pursuant to subsection (1) ***or (3)*** of this section from the special account until the funds in the account are depleted. If in any given year the special account including any funds from prior years is depleted and court orders entered against counties pursuant to subsection (1) ***or (3)*** of this section for that year or any prior year remain unpaid, the Finance and Administration Cabinet shall pay those orders from the Treasury in the same manner in which judgments against the Commonwealth and its agencies are paid.

(6) Expenses incurred in the representation of needy persons confined in a state correctional institution shall be paid from the special account established in subsection (4) of this section and in accordance with the procedures provided in subsection (5) of this section.

(7)[~~(4)~~] Only court orders entered after July 15, 1994, shall be payable from the special account administered by the Finance and Administration Cabinet or from the Treasury as provided in subsections (2) and (3) of this section.

SECTION 14. A NEW SECTION OF KRS CHAPTER 31 IS CREATED TO READ AS FOLLOWS AND TO BE NUMBERED AS KRS 31.211:

(1) Any person provided counsel under the provisions of this chapter shall be assessed at the time of appointment a nonrefundable fifty dollar ($50) administrative fee payable at the court's discretion in a lump sum or in installments. The first payment shall be accompanied by a handling fee of two dollars and fifty cents ($2.50) paid directly to the circuit clerk and deposited in a trust and agency account to the credit of the Administrative Office of the Courts. The account shall be used to assist the circuit clerks in hiring additional employees and providing salary adjustments for deputy clerks. The court shall reduce or waive the fee if the person does not have the financial resources to pay the fee. In any case or legal action, a needy person shall be assessed a total administrative fee of no more than fifty dollars ($50), regardless of the stages of the matter at which the needy person is provided appointed counsel. In the event the defendant fails to pay the fee, the fee shall be deducted from any posted cash bond or shall constitute a lien upon any property which secures the person's bail, regardless of whether the bond is posted by the needy person or another. The failure to pay the fee shall not reduce or in any way affect the rendering of public defender services to the person.

(2) At arraignment, the court shall conduct a nonadversarial hearing to determine whether a person who has requested a public defender is able to pay a partial fee for legal representation, the other necessary services and facilities of representation, and court costs. The court shall order payment in an amount determined by the court and may order that the payment be made in a lump sum or by installment payments to recover money for representation provided under this chapter. This partial fee determination shall be made at each stage of the proceedings.

(3) The administrative fee shall be in addition to any partial fee assessed by the court.

(4) All moneys received by the public advocate from indigent defendants pursuant to subsection (2) of this section shall be credited to the public advocate fund of the county in which the trial is held if the county has a plan pursuant to Section 6 of this Act or subsections (1) and (2)(a) of Section 7 of this Act which has been approved by the public advocate pursuant to Section 5 of this Act. Moneys credited to a county public advocate fund may be used only to support the public advocate program of that county.

(5) All moneys collected by the public advocate from indigent defendants pursuant to subsection (2) of this section in counties with a local public advocacy system established by the public advocate pursuant to subsection (2)(b) of Section 8 of this Act shall be credited to the Department of Public Advocacy special trust and agency account to be used to support the state public advocacy system.

(6) All moneys collected from the administrative fee shall be credited to the Department of Public Advocacy special trust and agency account to be used to support the state public advocacy system.

(7) If the administrative fee or partial fee, or any portion thereof, is not paid by the due date, the court's order is a civil judgment subject to collection under Civil Rule 69.03 and KRS Chapter 426.

(8) If a person receives legal assistance or other benefit under this chapter to which he or she is not entitled or if a person receives legal assistance under this chapter and is financially able to pay for representation on the date the suit is brought, the public advocate, on behalf of the Commonwealth, shall recover, where practical, payment or reimbursement, as the case may be, from the person who received the legal assistance or his or her estate. Suit shall be brought within five (5) years after the date on which the aid was received.

(9) All moneys collected under this section shall be placed in a special trust and agency account for the Department of Public Advocacy, and the funds shall not lapse.

(10) Any attorney participating in a public advocacy plan shall forward all information which he or she may have which indicates that payment or reimbursement may be obtained pursuant to subsection (8) of this section.

(11) The duty of recovery contemplated by subsection (8) of this section shall extend against persons who were the custodial parents or guardians of unemancipated minors at the time these minors were deemed needy as defined in subsection (3)(c) or (3)(d) of Section 8 of this Act.

(12) The court shall order that all moneys collected pursuant to this section shall be paid to the clerk of that court pursuant to the schedule of payment. The clerk shall forward to the Department of Public Advocacy on a monthly basis a copy of all the orders or an electronic report compiled by the Administrative Office of the Courts listing those orders. Additionally, the clerk shall forward to the Department of Public Advocacy on a monthly basis an accounting of, and the moneys collected in, each case.

Section 15. KRS 31.250 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.215, to read as follows:

(1) Except for attorneys appointed pursuant to KRS 620.100, 625.041, 625.080, and 31.120, no attorney participating in a public advocacy plan shall accept any fees for the representation of any needy person as defined in this chapter from that person or anyone for his benefit and the fees for representation of that person shall be limited to the fees provided in this chapter. "Fees" shall include cash, property, or other pecuniary benefits of any kind.

(2) Any attorney participating in a public advocacy plan who receives or attempts to collect a fee from a needy person as prohibited by subsection (1) above shall be guilty of a Class D felony.

Section 16. KRS 31.115 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.219, to read as follows:

(1) It shall be the duty of the attorney representing a client under any public advocacy plan to perfect an appeal if his client requests an appeal.

(2) After the attorney has filed a notice of appeal as required by the Rules of Criminal Procedure, he shall forward to the Department of Public Advocacy a copy of the final judgment, the notice of appeal, a statement of any errors committed in the trial of the case which should be raised on appeal, and a designation of that part of the record that is essential to the appeal.

(3) No attorney participating in any public advocacy plan shall be compensated for his services until he has perfected an appeal for a client who requests an appeal and has filed the information required in subsection (2) of this section.

(4) Any public advocacy attorney who is representing a client on appeal who after a conscientious examination of said appeal believes the appeal to be wholly frivolous after careful examinations of the record may request the court to which the appeal has been taken for permission to withdraw from the case. The attorney must file with that request a brief which sets forth any arguments which might possibly be raised on appeal. A copy of the request for permission to withdraw and the brief must be served upon the client in sufficient time so that the client may raise any argument he chooses to raise.

Section 17. KRS 31.220 is amended to read as follows:

This chapter applies only to representation in the courts of this state, except that it does not prohibit a defending attorney from representing a needy person in a federal court of the United States, if:

(1) The matter arises out of or is related to an action pending or recently pending in a court of criminal jurisdiction of the state; or

(2) Representation is under a plan of the United States District Court as required by the Criminal Justice Act of 1964 (18 U.S.C. 3006A)~~[and is approved by the fiscal court]~~.

Section 18. KRS 31.070 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.235, to read as follows:

If a court, after finding that the Department of Public Advocacy fails to provide an attorney to a person eligible for representation under KRS Chapter 31, appoints, under the court's inherent authority, an attorney to provide representation to the needy person, the public advocate is hereby authorized to pay reasonable and necessary fees and expenses subject to the following limitations:

(1) No fee shall be paid in excess of the prevailing maximum fee per attorney paid by the Department of Public Advocacy for the type of representation provided, and no hourly rate shall be paid in excess of the prevailing hourly rate paid by the Department of Public Advocacy for the type of representation provided; and

(2) Each fee plus expenses incurred in the defense shall be presented by the defense attorney to the Circuit Judge who shall review the fee and expenses request and shall approve, deny, or modify the amount of compensation and fee listed therein. After final approval of the fee and expenses the Circuit Judge shall, if state compensation is desired, certify the amount and transmit the document to the public advocate who shall review the fee and expense request and shall approve, deny, or modify the request. The request as approved or modified shall then be paid. Requests for payment of assigned counsel by the state shall be denied if the district has exceeded the amount of funds which may be allotted to it, if the district plan has not been approved, or if the public advocate finds that compensation is otherwise not warranted. The decision of the public advocate in all matters of fee and expense compensation shall be final.

Section 19. KRS 31.230 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.241, to read as follows:

The protections provided by this chapter do not exclude any protection or sanction that the law otherwise provides.

SECTION 20. A NEW SECTION OF KRS CHAPTER 31 IS CREATED TO READ AS FOLLOWS AND TO BE NUMBERED AS KRS 31.251:

(1) No bill which creates an additional Circuit or District Judge position under KRS Chapter 23A or 24A shall be voted on in any committee of the Kentucky General Assembly or in either chamber of the Kentucky General Assembly unless a fiscal note has been prepared by the Legislative Research Commission and attached to the bill.

(2) The fiscal note shall provide a realistic statement of the estimated effect on the ability of the Department of Public Advocacy to provide services in the additional court and an estimate of any additional fiscal resources the Department of Public Advocacy needs to meet increased responsibilities created as a result of the creation of an additional judge position.

Section 21. KRS 18A.195 is amended to read as follows:

(1) A state employee who is authorized to work one (1) or more hours in excess of the prescribed hours of duty shall be granted compensatory leave on an hour-for-hour basis. Upon the written request of an employee who is not exempt from the provisions of the Federal Fair Labor Standards Act, 29 U.S.C. sec. 201 et seq., an appointing authority may grant compensatory time, in lieu of overtime pay, at the rate of one and one-half (1.5) hours for each hour the employee is authorized to work in excess of forty (40) hours in a work week. An employee who is transferred or otherwise changed from the jurisdiction of one agency to another shall retain his compensatory leave in the receiving agency.

(2) Any employee who leaves state service shall be paid for the balance of unused compensatory time.

(3) Attorneys in the Department of Public Advocacy who accumulate two hundred forty (240) hours of compensatory leave shall not be paid for fifty (50) hours at the regular rate of pay but shall have fifty (50) hours converted to sick leave.

Section 22. The following KRS sections are repealed:

31.025 Liability insurance for full-time public advocates.

31.051 Moneys from indigent defendants credited to fund of county where trial held -- Use -- Administrative fee assessed on persons for whom counsel is provided.

31.080 Public advocate -- Solicitation of funds for programs.

31.090 Funding deficiencies.

31.130 Assignment of substitute attorney.

31.150 Recovery of money wrongfully received.

31.160 Provisions for joint representation by counties, cities and districts.

31.190 Appropriation of money by fiscal court and cities.

31.180 Facilities and services available to public advocates.

31.200 Expenses chargeable to county and to public advocate.

31.210 Annual reports -- Records.

31.240 Compensation by counties of public advocates -- State contributions.

Section 23. The Kentucky Law Enforcement Council shall study the feasibility of certifying investigators employed by the Department of Public Advocacy, or by a nonprofit association that contracts with the Department of Public Advocacy to provide public advocacy services. The study shall be conducted with the assistance of the Department of Criminal Justice training and the Department of Public Advocacy. The study shall evaluate the minimum qualifications, necessary training, and associated procedures for certification, and the availability of funding through the Kentucky Law Enforcement Foundation Program Fund. A report shall be prepared and submitted to the Secretary of the Justice Cabinet no later than September 1, 2002.

The Committee Substitute to **HB 487** is as follows:

HB 487, AN ACT relating to the Department of Public Advocacy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 31.010 is amended to read as follows:

There is hereby established as an independent agency of state government, attached for administrative purposes to the Public Protection and Regulation Cabinet, the Department of Public Advocacy, in order to provide for the establishment, maintenance and operation of a state sponsored and controlled system for:

(1) The representation of indigent persons accused of crimes or mental states which may result in their incarceration or confinement; and

(2) The pursuit of legal, administrative, and other appropriate remedies to insure the protection of the rights of ***persons with disabilities***[~~the developmentally disabled~~]. For the purposes of this chapter, "***persons with disabilities***[~~developmentally disabled~~]" shall ***refer to those persons eligible for protection and advocacy services under Public Laws 99-319, 102-569, 103-218, 106-170, and 106-402***[~~be defined as provided in Public Law 94-103, or~~] as amended ***and any other federal enabling statute hereafter enacted that defines the eligible client base for protection and advocacy services***.

Section 2. KRS 31.015 is amended to read as follows:

(1) ***(a)*** The Public Advocacy Commission shall consist of the following members, none of whom shall be a prosecutor***,***[~~ or~~] law enforcement official***, or judge***, who shall serve terms of four (4) years, except the initial terms shall be established as hereafter provided:

1.[~~(a)~~] Two (2) members appointed by the Governor;

2.[~~(b)~~] One (1) member appointed by the ***Governor. This member shall be a child advocate or a person with substantial experience in the representation of children***[~~Speaker of the House of Representatives~~];

3.[~~(c)~~] One (1) member ***who is the executive director of the Criminal Justice Council of the Justice Cabinet***[~~appointed by the President Pro Tem of the Senate~~];

4.[~~(d)~~] Two (2) members appointed by the Kentucky Supreme Court;

5.[~~(e)~~] Two (2) members, who are licensed to practice law in Kentucky and have substantial experience in the representation of persons accused of crime, appointed by the Governor from a list of ***three (3)***[~~five (5)~~] persons submitted to him ***for each individual vacancy*** by the board of governors of the Kentucky Bar Association;

6.[~~(f)~~] The dean, ex officio, of each of the law schools in Kentucky or his designee; and

7.[~~(g)~~] One (1) member appointed by the Governor from a list of three (3) persons submitted to him ***or her*** by the

joint advisory boards of the Protection and Advocacy Division of the Department of Public Advocacy[~~Kentucky Protection and Advocacy Advisory Board~~].

(b) Any member of the commission serving prior to the effective date of this Act shall serve until the expiration of his or her current term of office. Subsequent appointments shall be for a term of four (4) years from the date of expiration of the term for which his or her predecessor was appointed.

(2) At the first meeting of the commission, a drawing by lot shall be conducted to determine the length of each original member's term. Initially there shall be four (4) two (2) year terms, four (4) three (3) year terms, and four (4) four (4) year terms. Vacancies in the membership of the commission shall be filled in the same manner as original appointments. Appointments to fill vacancies occurring before the expiration of a term shall be for the remainder of the unexpired term.

(3) The commission shall first meet at the call of the Governor and thereafter as the commission shall determine on a regular basis, but at least quarterly, and shall be presided over by a chairperson elected by its members for a one (1) year term. A majority of commission members shall constitute a quorum, and decisions shall require the majority vote of those present; except that a recommendation to the Governor pertaining to the appointment, renewal of the appointment, or removal of the public advocate shall require a majority vote of the commission. Each member of the commission shall have one (1) vote, and voting by proxy shall be prohibited.

(4) The public advocate shall, upon appointment or renewal, be an ex officio member of the commission without vote, shall serve as secretary of the commission, and shall be entitled to attend and participate in all meetings of the commission except discussions relating to renewal of his term or his removal.

(5) Commission members[~~ shall serve without compensation but~~] shall be reimbursed for reasonable and necessary expenses incurred while engaged in carrying out the duties of the commission ***and shall receive one hundred dollars ($100) per day for each meeting attended unless prohibited by law from receiving such compensation***.

(6) The commission shall:

(a) Receive applications, interview, and recommend to the Governor three (3) attorneys as nominees for appointment as the public advocate;

(b) Assist the public advocate in drawing up procedures for the selection of his staff;

(c) Review the performance of the public advocacy system and provide general supervision of the public advocate;

(d) Assist the Department of Public Advocacy in ensuring its independence through public education regarding the purposes of the public advocacy system; and

(e) Review and adopt an annual budget prepared by the public advocate for the system and provide support for budgetary requests to the General Assembly.

(7) In no event shall the commission or its members interfere with the discretion, judgment or advocacy of employees of the Department of Public Advocacy in their handling of individual cases.

Section 3. KRS 31.030 is amended to read as follows:

The ***authority and*** duties of the Department of Public Advocacy shall include, but are not limited to:

(1) Administering the statewide public advocacy system created by this chapter or by any other appropriate legislation or court decision;

(2) Providing technical aid to local counsel representing indigents;

(3) Assisting local counsel on appeals or taking appeals for local counsel, in the same manner as such appeals for the Commonwealth are presently handled by the Attorney General;

(4) Developing and promulgating standards and regulations, rules, and procedures for administration of the defense of indigent defendants in criminal cases which the public advocate, statutes, or the courts determine are subject to public assistance;

(5) Appointing ***assistant***[~~district~~] public advocates;

(6) Reviewing local plans for providing counsel for indigents;

(7) Conducting research into***, and developing and implementing*** methods of***,*** improving the operation of the criminal justice system with regard to indigent defendants and other defendants in criminal actions;

(8) Issuing such rules, regulations, and standards as may be reasonably necessary to carry out the provisions of this chapter, the decisions of the United States Supreme Court, the decisions of the Kentucky Supreme Court, Court of Appeals, and other applicable court decisions or statutes;

(9) Being authorized to pursue legal, administrative, and other appropriate remedies to insure the protection of the rights of ***persons with disabilities***[~~the developmentally disabled~~];[~~ and~~]

(10) ***Being authorized to purchase liability insurance for the protection of all full-time public advocates to protect them from liability for malpractice arising in the course or scope of employment and for the protection of attorneys with whom the Department of Public Advocacy contracts to protect them from liability for malpractice arising in the course or scope of the contract;***

(11) Being authorized to seek and apply for and solicit funds for the operation of the defense of the indigent, or protection of the persons with disabilities programs from any source, public or private, and to receive donations, grants, awards, and similar funds from any legal source. Those funds shall be placed in a special account for the Department of Public Advocacy and those funds shall not lapse;

(12) Being authorized to assign a substitute attorney, for good cause, at any stage of representation, including appeal or other post-conviction proceeding. The substitute attorney shall have the same functions with respect to the needy person as the attorney for whom he or she is substituted; and

(13) Do such other things and institute such other programs as are reasonably necessary to carry out the provisions of this chapter, or those decisions or statutes which are the subject of subsection (8) of this section.

Section 4. KRS 31.035 is amended to read as follows:

(1) There shall be[~~ an~~] advisory ***boards***[~~Board~~] for the Protection and Advocacy Division of the Department of Public Advocacy ***as set forth in Public Laws 99-319 and 106-402 and their implementing regulations. Each shall be*** comprised of not more than seventeen (17) citizen members appointed for ***terms of not less than***[~~a term of~~] two (2) years by the ***Protection and Advocacy Division Director***[~~public advocate. The board members shall be either developmentally disabled themselves or parents or representatives of persons who are developmentally disabled~~].

(2) The advisory ***boards***[~~board~~] shall meet at least quarterly and on other occasions as may be necessary upon the call of the ***Protection and Advocacy Division Director***[~~public advocate~~].

(3) The members of the advisory ***boards***[~~board~~] shall receive no compensation for their services, but shall be reimbursed for all expenses incurred through the performance of their duties as members of ***their respective***[~~the~~] advisory board. No member of ***any***[~~the~~] board shall be held to be a public officer by reason of his ***or her*** membership on the board.

Section 5. KRS 31.050 is amended to read as follows:

(1) The public advocate shall review and approve or deny or suggest modifications to all plans which are submitted to the Department of Public Advocacy for defense of indigent persons.

(2) If the plan for defense of indigent persons is approved, the public advocate may allot a sufficient sum, subject to the approval of the secretary of the Finance and Administration Cabinet to the county or counties in the judicial circuit involved for the purpose of assisting the said plan.[~~ The moneys shall be divided among the counties in the circuit as provided by the plan which is submitted.~~]

(3) At the end of each funding period, any moneys not expended shall revert to the state Department of Public Advocacy.

(4) Counties***, urban-counties, charter counties, consolidated local governments,*** and other units submitting applications under this chapter shall be obligated to pay and shall pay all costs incurred in their own defense of indigent programs which are in excess of the maximum amount allotted or other maximum amount of grant as specified in this chapter.

(5) The fiscal court; legislative body of the urban-county, charter county, or consolidated local government; or nonprofit corporation is authorized to seek and apply for and solicit funds for the operation of the defense of the indigent from any source, public or private, and to receive donations, grants, awards, and similar funds from any legal source.

(6) A defending attorney shall keep appropriate records respecting each needy person whom he or she represents under this chapter.

(7) The public advocate, nonprofit organization, or person administering a public advocacy plan shall submit an annual report to the Department of Public Advocacy showing the number of persons represented under this chapter, the crimes involved, the outcome of each case, and the expenditures, totalled by kind, made in carrying out the responsibilities imposed by this chapter.

Section 6. KRS 31.060 is amended to read as follows:

(1) Each county***, urban-county, charter county, and consolidated local government*** with a judicial district containing ten (10) or more circuit judges shall establish and maintain an office ***of***[~~for district~~] public advocacy and submit a plan for the operation thereof to the Department of Public Advocacy. If the plan submitted is approved by the Department of Public Advocacy, the public advocate shall grant to the county***, urban-county, charter county, or consolidated local government*** the amount to which it would be entitled under KRS 31.050(2) which shall be used as the Commonwealth's share in defraying the expenses of the program in that ***county, urban-county, charter county, or consolidated local government***[~~district. The county and other units contributing to the costs of the program shall be obligated to pay and shall pay all costs incurred in the operation of the defense of the indigents program which are in excess of the state contribution. Any excess of moneys remaining at the end of the funding period shall be returned to the Department of Public Advocacy~~].

(2) A county, urban-county, charter county, or consolidated local government identified in subsection (1) of this section shall contribute to the funding of the plan selected and approved in such amounts as the Department of Public Advocacy shall deem reasonable and necessary.

Section 7. KRS 31.065 is amended to read as follows:

(1) (a) The fiscal court of each county; or legislative body of an urban-county, charter county, or consolidated local government; except a county, urban-county, charter county, or consolidated local government wherein the judicial district is required to maintain a public advocate under this chapter, may provide for the representation

of needy persons by:

1. Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations, or an association of attorneys to provide the legal services required in this chapter, provided there are suitable attorneys available willing to provide these services for reasonable compensation;

2. Establishing and maintaining an office for public advocacy; or

3. Adopting any combination of the options provided for in subparagraphs 1. and 2. of this paragraph.

(b) The fiscal court of a county; or the legislative body of an urban-county, charter county, or consolidated local government; may join with one (1) or more other counties, urban-counties, charter counties, or consolidated local governments in its judicial district or elsewhere or with any cities located within the county, urban-county, charter county, or consolidated local government or counties, urban-counties, charter counties, or consolidated local governments in providing this representation. These agreements shall be made pursuant to the provisions of KRS Chapter 65.

(c) If it elects to establish and maintain an office of public advocacy, and if the appropriate legislative authorities and fiscal courts concerned respectively agree on qualifications, term of office, compensation, support, and appointment under subsection (1) of Section 8 of this Act, the fiscal court of a county; or the legislative body of an urban-county, charter county, or consolidated local government; may join with cities within the county, urban-county, charter county, or consolidated local government and with the legislative body of one (1) or more other counties, urban-counties, charter counties, or consolidated local governments to establish and maintain a joint office of public advocacy. In that case, the participating counties, urban-counties, charter counties, or consolidated local governments shall be treated for the purposes of this chapter as if they were one (1) county, urban-county, charter county, or consolidated local government. The agreements shall be made pursuant to the provisions of KRS Chapter 65.

(2) If a county***, urban-county, charter county, or consolidated local government***[~~ or district~~] chooses ***not to submit a plan under subsection (1) of this section,***[~~none of the alternatives provided by KRS 31.160~~] or if a plan submitted to the public advocate is denied as provided by KRS 31.050, then the public advocate may establish for a county containing less than ten (10) Circuit Judges or a group of counties a local public advocacy system by:

(a)[~~(1)~~] Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations, or an association of attorneys to provide the legal services required in this chapter; provided there are suitable attorneys available who are willing to provide those services for reasonable compensation; or

(b)[~~(2)~~] Providing an office ***of***[~~for district~~] public advocacy, which shall be staffed by ***an assistant***[~~a district~~] public advocate ***who directs the office and*** who shall be an attorney, and any number of assistant district public advocates and other personnel necessary to perform adequately the functions of said office.

Section 8. KRS 31.170 is repealed, reenacted as a new section of KRS Chapter 31 to be numbered as KRS 31.071, and amended to read as follows:

(1) If the fiscal court of a county***; or legislative body of an urban-county, charter county, or consolidated local government;*** elects to establish and maintain an office for public advocacy, it shall:

(a) Appoint the[~~ district~~] public advocate and any number of assistant[~~ district~~] public advocates necessary to adequately perform the functions of said office.

(b) Prescribe the qualifications of the[~~ district~~] public advocate, his term of office which may not be more than four (4) years and fix the rate of annual compensation for him and his assistants. In order to be qualified for appointment as[~~ district~~] public advocate a person must have been admitted to the practice of law and licensed to practice in the Commonwealth of Kentucky and be competent to counsel and defend a person charged with a crime.

(c) Provide for the establishment, maintenance and support of ***the***[~~his~~] office.

(2) If the fiscal court of a county***; or the legislative body of an urban-county, charter county, or consolidated local government;*** elects to arrange with a nonprofit organization to provide attorneys, the county***, urban-county, charter county, or consolidated local government*** and any cities involved ***shall provide for the establishment, maintenance, and support of that organization or shall***[~~may~~] reimburse the organization for such expenses[~~ as the fiscal courts respectively concerned have determined to be necessary in the representation of needy persons under this chapter, or may provide facilities described in KRS 31.180(2)(a) in addition to or in lieu of said reimbursement~~].

(3) If, in a county where the fiscal court***; or in an urban-county, charter county, or consolidated local government where the legislative body;*** has elected to provide representation under subsection (1) or (2) of this section, after finding that the fiscal court***, or legislative body,*** fails to provide an attorney to a person eligible for representation under KRS Chapter 31, a court assigns, under the court's inherent authority, an attorney to represent a needy person it shall prescribe a reasonable rate of compensation for his services and shall determine the direct expenses necessary to representation for which he would be reimbursed. The county***, urban-county, charter county, or consolidated local government*** shall pay the attorney the amounts so prescribed from the funds made available by the Department of Public Advocacy.

(4) An attorney under subsection (3) shall be compensated for his services with regard to the complexity of the issues, the time involved, and other relevant considerations. However, no fee shall be paid in excess of the prevailing maximum fee per

attorney paid by the Department of Public Advocacy for the type of representation provided, and no hourly rate shall be paid in excess of the prevailing hourly rate paid by the Department of Public Advocacy for the type of representation provided.

Section 9. KRS 31.165 is repealed, reanacted as a new section of KRS Chapter 31 to be numbered as KRS 31.085, and amended to read as follows:

All plans authorized by ***this chapter***[~~KRS 31.160~~] shall conform to all rules and regulations promulgated by the Department of Public Advocacy.

Section 10. KRS 31.100 is amended to read as follows:

[~~With regard to the district public advocate and approved local programs of providing counsel for indigents~~]The following terms and standards shall apply, subject to further definition and regulation by the Department of Public Advocacy.

(1) "Detain" means to have in custody or otherwise deprive of freedom of action;

(2) "Expenses," when used with reference to representation under this chapter, includes the expenses of investigation, other preparation, and trial, together with the expenses of any appeal;

(3) "Needy person" or "indigent person" means:

(a) A person, eighteen (18) years of age or older, or emancipated minor under the age of eighteen (18), who at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;

(b) A minor, under the age of eighteen (18), who is party defendant in an action ***of being an habitual runaway from his or her parent or person exercising control or supervision of the child brought under KRS 630.020(1) or of being beyond the control of parents*** brought under KRS 630.020(2), and at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;

(c) An unemancipated minor, under the age of eighteen (18), ***who allegedly has***[~~alleged to have~~] committed an offense as described in KRS 610.010(1)(a), ***or who allegedly is beyond the control of the school as described in KRS 610.010(1)(b), or who allegedly is an habitual truant from school as described in KRS 610.010(1)(c), or who allegedly is an habitual runaway as described in KRS 610.010(1)(d),*** whose custodial parent or guardian at the time the need of the minor is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation, and who cannot personally so provide; or

(d) An unemancipated minor, under the age of eighteen (18), alleged to have committed an offense as described in KRS 610.010(1)(a), ***(b), (c), or (d),*** whose custodial parent or guardian at the time the need of the minor is determined ***has interests adverse to the child relevant to the charged offenses and who*** is able to provide for the payment of an attorney and all other necessary expenses of representation, when such representation is not provided or is not consented to by the unemancipated minor;

(4) "Serious crime" includes:

(a) A felony;

(b) A misdemeanor or offense any penalty for which includes the possibility of confinement[~~ or a fine of five hundred dollars ($500) or more~~];

(c) Any legal action which could result in the detainment of a defendant; and

(d) An act that, but for the age of the person involved, would otherwise be a serious crime.

Section 11. KRS 31.110 is amended to read as follows:

(1) A needy person who is being detained by a law enforcement officer, on suspicion of having committed, or who is under formal charge of having committed, or is being detained under a conviction of, a serious crime, ***or who is accused of having committed a public or status offense or who has been committed to the Department of Juvenile Justice or Cabinet for Families and Children for having committed a public or status offense as those are defined by KRS 630.020(2) or KRS 610.010(1)(a), (b), (c), or (d)*** is entitled:

(a) To be represented by an attorney to the same extent as a person having his own counsel is so entitled; and

(b) To be provided with the necessary services and facilities of representation including investigation and other preparation. The courts in which the defendant is tried shall waive all costs.

(2) A needy person who is entitled to be represented by an attorney under subsection (1) is entitled:

(a) To be counseled and defended at all stages of the matter beginning with the earliest time when a person providing his own counsel would be entitled to be represented by an attorney and including revocation of probation or parole;

(b) To be represented in any appeal; and

(c) To be represented in any other post-conviction***, or, if a minor under the age of eighteen (18), post-disposition*** proceeding that the attorney and the needy person considers appropriate. However, if the counsel appointed in such post-conviction***, or, if a minor under the age of eighteen (18), post-disposition*** remedy, with the court involved, determines that it is not a proceeding that a reasonable person with adequate means would be willing to bring at his own expense, there shall be no further right to be represented by counsel under the provisions of this chapter.

(3) A needy person's right to a benefit under subsection (1) or (2) is not affected by his having provided a similar benefit at his own expense, or by his having waived it, at an earlier stage.

(4) A person, whether a needy person or not, who is a minor under the age of eighteen (18) and who is in the custody of the Department of Juvenile Justice and is residing in a residential treatment center or detention center is entitled to be represented on a legal claim related to his or her confinement involving violations of federal or state statutory rights or constitutional rights.

Section 12. KRS 31.120 is amended to read as follows:

(1) The determination of whether a person covered by KRS 31.110 is a needy person shall be deferred no later than his first appearance in court or in a suit for payment or reimbursement under ***Section 14 of this Act***[~~KRS 31.150~~], whichever occurs earlier. Thereafter, the court concerned shall determine, with respect to each step in the proceedings, whether he is a needy person. However, nothing herein shall prevent appointment of counsel at the earliest necessary proceeding at which the person is entitled to counsel, upon declaration by the person that he is needy under the terms of this chapter. In that event, the person involved shall be required to make reimbursement for the representation involved if he later is determined not a needy person under the terms of this chapter.[~~ At arraignment, the court shall conduct a nonadversarial hearing to determine whether a person who has requested a public defender is able to pay a partial fee.~~]

(2) In determining whether a person is a needy person and in determining the extent of his, and, in the case of an unemancipated minor under KRS 31.100(3)(c), his custodial parent's or guardian's inability to pay, the court concerned shall consider such factors as***:***

(a) Income***;***[~~,~~]

(b) Source of income;

(c) Property owned***;***[~~,~~]

(d) Number of motor vehicles owned and in working condition;

(e) Other assets;

(f) Outstanding obligations***;***[~~, and~~]

(g) The number and ages of his ***or her*** dependents***;***

(h) The poverty level income guidelines compiled and published by the United States Department of Labor;

(i) Complexity of the case;

(j) Amount a private attorney charges for similar services;

(k) Amount of time an attorney would reasonably spend on the case; and

(l) Payment of money bail, other than a property bond of another, whether deposited by the person or another, to secure the person's release from confinement on the present charge of which he or she stands accused or convicted; and

(m) Any other circumstances presented to the court relevant to financial status.

Release on bail, or any other method of release provided in KRS Chapter 431, shall not necessarily prevent him from being a needy person. In each case, the person, and, if an unemancipated minor under KRS 31.100(3)(c) and (d), his custodial parent or guardian, subject to the penalties for perjury, shall certify by affidavit of indigency which shall be compiled by the pretrial release officer, as provided under KRS Chapter 431 and Supreme Court Rules or orders promulgated pursuant thereto, the material factors relating to his ability to pay in the form the Supreme Court prescribes.

(3)[~~ It shall be prima facie evidence that a person is not indigent or needy within the meaning of this chapter if he and, in the case of an unemancipated minor under KRS 31.100(3)(c) and (d), if his custodial parent or guardian:~~

~~(a) Owns real property in the Commonwealth or without the Commonwealth;~~

~~(b) Is not receiving, or if not receiving is not eligible to receive, public assistance payments at the time the affidavit of indigency is executed;~~

~~(c) Has paid money bail (other than a property bond of another), whether deposited by himself or another, to secure his release from confinement on the present charge of which he stands accused or convicted; or~~

~~(d) Owns more than one (1) motor vehicle.~~

~~(4) To the extent that a person covered by KRS 31.110, and, in the case of an unemancipated minor under KRS 31.100(3)(c) and (d), his custodial parent or guardian, is able to provide for an attorney, the other necessary services and facilities of representation, and court costs, the court shall order payment in an amount determined by the court and may order that the payment be made in a lump sum or by installment payments. The determination shall be made at each stage of the proceedings.~~

~~(5) The court shall order all moneys collected pursuant to subsection (4) of this section be paid to the clerk of that court pursuant to the schedule of payment. The clerk shall forward to the Department of Public Advocacy on a monthly basis a~~

~~copy of all the orders or an electronic report compiled by the Administrative Office of the Courts listing those orders. Additionally, the clerk shall forward to the Department of Public Advocacy on a monthly basis an accounting of and the moneys collected in each case.~~

~~(6)~~] The affidavit of indigency, to be subscribed and sworn to by the person, and, in the case of an unemancipated minor under KRS 31.100(3)(c), by his custodial parent or guardian, shall be as set out herein ***and contain, at a minimum, the following information***:

"Commonwealth of Kentucky

County of................

Affiant........................, being first duly sworn says that he ***or she*** is not now represented by private counsel and that he does not have the money or assets out of which to employ one; that he ***or she*** is indigent and requests the court to appoint counsel.

Affiant states that he or she is presently (fill in the blank with one (1) of the following: unemployed, employed full-time, employed part-time, or employed on a seasonal basis).............

Affiant states that his ***or her weekly*** income is ....; ***and*** that he ***or she receives (circle any of the following which apply and fill in the blank if necessary)***

Welfare

Food stamps

Social Security

Workers' compensation

Unemployment

Retirement disability

Other........................

Affiant states that he or she owns the following property:

Description	Value
....	....
....	....
....	..........................;

Affiant states that he ***or she*** has the following dependents:

Name	Age	Relationship
....	....	....
....	....	....
....	....	..........................;

Affiant states[~~and~~] that he ***or she*** has the following obligations:

To whom owed	Amount owing
....	....
....	....
....	....

....

Affiant understands and has been advised that he or she may be required to pay an administrative fee of fifty-two dollars and fifty cents ($52.50) and may be held responsible for the payment of part of the cost of legal representation. Affiant also understands that the cost of payment for legal representation will be determined by the judge after considering affiant's financial condition, what private attorneys charge for similar services, how complicated the affiant's case is, and the amount of time affiant's attorney spends on affiant's case.

Signature of affiant

Subscribed and sworn to before me this ...., day of ...., 20[~~19~~].....

....

Signature and title of officer
administering the oath

Perjury Warning: Affiant understands that any ***person knowingly***[~~persons~~] making false statements in the above affidavit shall be subject to the penalties for perjury under KRS Chapter 523, the maximum penalty for which is five (5) years imprisonment. "***Affiant declares under penalty of perjury that he or she has read the above affidavit and that it is true and complete to the best of his or her knowledge.***"

Section 13. KRS 31.185 is amended to read as follows:

(1) Any defending attorney operating under the provisions of this chapter is entitled to use the same state facilities for the evaluation of evidence as are available to the attorney representing the Commonwealth. If he *or she* considers their use impractical, the court concerned may authorize the use of private facilities to be paid for on court order *from the special account of the Finance and Administration Cabinet*[~~by the county~~].

(2) *Upon request, the court shall permit the request for funds on behalf of the needy person be made by the defending attorney ex parte and on the record.*

(3) Any direct expense, including the cost of a transcript or bystander's bill of exceptions or other substitute for a transcript that is necessarily incurred in representing a needy person under this chapter, is a charge against the county, urban-county, charter county, or consolidated local government on behalf of which the service is performed and shall be paid from the special account established in subsection (4) of this section and in accordance with procedures provided in subsection (5) of this section. However, such a charge shall not exceed the established rate charged by the Commonwealth and its agencies.

(4) The fiscal court of each county or legislative body of an urban-county government shall annually appropriate twelve and a half cents ($0.125) per capita of the population of the county, as determined by the Council of Local Governments' most recent population statistics, to a special account to be administered by the Finance and Administration Cabinet to pay court orders entered against counties pursuant to subsection (1) *or (3)* of this section. The funds in this account shall not lapse and shall remain in the special account.

(5)[~~(3)~~] The Finance and Administration Cabinet shall pay all court orders entered pursuant to subsection (1) *or (3)* of this section from the special account until the funds in the account are depleted. If in any given year the special account including any funds from prior years is depleted and court orders entered against counties pursuant to subsection (1) *or (3)* of this section for that year or any prior year remain unpaid, the Finance and Administration Cabinet shall pay those orders from the Treasury in the same manner in which judgments against the Commonwealth and its agencies are paid.

(6) Expenses incurred in the representation of needy persons confined in a state correctional institution shall be paid from the special account established in subsection (4) of this section and in accordance with the procedures provided in subsection (5) of this section.

(7)[~~(4)~~] Only court orders entered after July 15, 1994, shall be payable from the special account administered by the Finance and Administration Cabinet or from the Treasury as provided in subsections (2) and (3) of this section.

SECTION 14. A NEW SECTION OF KRS CHAPTER 31 IS CREATED TO READ AS FOLLOWS AND TO BE NUMBERED AS KRS 31.211:

(1) Any person provided counsel under the provisions of this chapter shall be assessed at the time of appointment a nonrefundable fifty dollar ($50) administrative fee payable at the court's discretion in a lump sum or in installments. The first payment shall be accompanied by a handling fee of two dollars and fifty cents ($2.50) paid directly to the circuit clerk and deposited in a trust and agency account to the credit of the Administrative Office of the Courts. The account shall be used to assist the circuit clerks in hiring additional employees and providing salary adjustments for deputy clerks. The court shall reduce or waive the fee if the person does not have the financial resources to pay the fee. In any case or legal action, a needy person shall be assessed a total administrative fee of no more than fifty dollars ($50), regardless of the stages of the matter at which the needy person is provided appointed counsel. In the event the defendant fails to pay the fee, the fee shall be deducted from any posted cash bond or shall constitute a lien upon any property which secures the person's bail, regardless of whether the bond is posted by the needy person or another. The failure to pay the fee shall not reduce or in any way affect the rendering of public defender services to the person.

(2) At arraignment, the court shall conduct a nonadversarial hearing to determine whether a person who has requested a public defender is able to pay a partial fee for legal representation, the other necessary services and facilities of representation, and court costs. The court shall order payment in an amount determined by the court and may order that the payment be made in a lump sum or by installment payments to recover money for representation provided under this chapter. This partial fee determination shall be made at each stage of the proceedings.

(3) The administrative fee shall be in addition to any partial fee assessed by the court.

(4) All moneys received by the public advocate from indigent defendants pursuant to subsection (2) of this section shall be credited to the public advocate fund of the county in which the trial is held if the county has a plan pursuant to Section 6 of this Act or subsections (1) and (2)(a) of Section 7 of this Act which has been approved by the public advocate pursuant to Section 5 of this Act. Moneys credited to a county public advocate fund may be used only to support the public advocate program of that county.

(5) All moneys collected by the public advocate from indigent defendants pursuant to subsection (2) of this section in counties with a local public advocacy system established by the public advocate pursuant to subsection (2)(b) of Section 8 of this Act shall be credited to the Department of Public Advocacy special trust and agency account to be used to support the state public advocacy system.

(6) All moneys collected from the administrative fee shall be credited to the Department of Public Advocacy special trust and agency account to be used to support the state public advocacy system.

(7) If the administrative fee or partial fee, or any portion thereof, is not paid by the due date, the court's order is a civil

judgment subject to collection under Civil Rule 69.03 and KRS Chapter 426.

(8) If a person receives legal assistance or other benefit under this chapter to which he or she is not entitled or if a person receives legal assistance under this chapter and is financially able to pay for representation on the date the suit is brought, the public advocate, on behalf of the Commonwealth, shall recover, where practical, payment or reimbursement, as the case may be, from the person who received the legal assistance or his or her estate. Suit shall be brought within five (5) years after the date on which the aid was received.

(9) All moneys collected under this section shall be placed in a special trust and agency account for the Department of Public Advocacy, and the funds shall not lapse.

(10) Any attorney participating in a public advocacy plan shall forward all information which he or she may have which indicates that payment or reimbursement may be obtained pursuant to subsection (8) of this section.

(11) The duty of recovery contemplated by subsection (8) of this section shall extend against persons who were the custodial parents or guardians of unemancipated minors at the time these minors were deemed needy as defined in subsection (3)(c) or (3)(d) of Section 8 of this Act.

(12) The court shall order that all moneys collected pursuant to this section shall be paid to the clerk of that court pursuant to the schedule of payment. The clerk shall forward to the Department of Public Advocacy on a monthly basis a copy of all the orders or an electronic report compiled by the Administrative Office of the Courts listing those orders. Additionally, the clerk shall forward to the Department of Public Advocacy on a monthly basis an accounting of, and the moneys collected in, each case.

Section 15. KRS 31.250 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.215, to read as follows:

(1) Except for attorneys appointed pursuant to KRS 620.100, 625.041, 625.080, and 31.120, no attorney participating in a public advocacy plan shall accept any fees for the representation of any needy person as defined in this chapter from that person or anyone for his benefit and the fees for representation of that person shall be limited to the fees provided in this chapter. "Fees" shall include cash, property, or other pecuniary benefits of any kind.

(2) Any attorney participating in a public advocacy plan who receives or attempts to collect a fee from a needy person as prohibited by subsection (1) above shall be guilty of a Class D felony.

Section 16. KRS 31.115 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.219, to read as follows:

(1) It shall be the duty of the attorney representing a client under any public advocacy plan to perfect an appeal if his client requests an appeal.

(2) After the attorney has filed a notice of appeal as required by the Rules of Criminal Procedure, he shall forward to the Department of Public Advocacy a copy of the final judgment, the notice of appeal, a statement of any errors committed in the trial of the case which should be raised on appeal, and a designation of that part of the record that is essential to the appeal.

(3) No attorney participating in any public advocacy plan shall be compensated for his services until he has perfected an appeal for a client who requests an appeal and has filed the information required in subsection (2) of this section.

(4) Any public advocacy attorney who is representing a client on appeal who after a conscientious examination of said appeal believes the appeal to be wholly frivolous after careful examinations of the record may request the court to which the appeal has been taken for permission to withdraw from the case. The attorney must file with that request a brief which sets forth any arguments which might possibly be raised on appeal. A copy of the request for permission to withdraw and the brief must be served upon the client in sufficient time so that the client may raise any argument he chooses to raise.

Section 17. KRS 31.220 is amended to read as follows:

This chapter applies only to representation in the courts of this state, except that it does not prohibit a defending attorney from representing a needy person in a federal court of the United States, if:

(1) The matter arises out of or is related to an action pending or recently pending in a court of criminal jurisdiction of the state; or

(2) Representation is under a plan of the United States District Court as required by the Criminal Justice Act of 1964 (18 U.S.C. 3006A)~~[and is approved by the fiscal court]~~.

Section 18. KRS 31.070 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.235, to read as follows:

If a court, after finding that the Department of Public Advocacy fails to provide an attorney to a person eligible for representation under KRS Chapter 31, appoints, under the court's inherent authority, an attorney to provide representation to the needy person, the public advocate is hereby authorized to pay reasonable and necessary fees and expenses subject to the following limitations:

(1) No fee shall be paid in excess of the prevailing maximum fee per attorney paid by the Department of Public Advocacy for the type of representation provided, and no hourly rate shall be paid in excess of the prevailing hourly rate paid by the Department of Public Advocacy for the type of representation provided; and

(2) Each fee plus expenses incurred in the defense shall be presented by the defense attorney to the Circuit Judge who shall review the fee and expenses request and shall approve, deny, or modify the amount of compensation and fee listed therein. After final approval of the fee and expenses the Circuit Judge shall, if state compensation is desired, certify the amount and transmit the document to the public advocate who shall review the fee and expense request and shall approve, deny, or modify the request. The request as approved or modified shall then be paid. Requests for payment of assigned counsel by the state shall be denied if the district has exceeded the amount of funds which may be allotted to it, if the district plan has not been approved, or if the public advocate finds that compensation is otherwise not warranted. The decision of the public advocate in all matters of fee and expense compensation shall be final.

Section 19. KRS 31.230 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.241, to read as follows:

The protections provided by this chapter do not exclude any protection or sanction that the law otherwise provides.

Section 20. KRS 18A.195 is amended to read as follows:

(1) A state employee who is authorized to work one (1) or more hours in excess of the prescribed hours of duty shall be granted compensatory leave on an hour-for-hour basis. Upon the written request of an employee who is not exempt from the provisions of the Federal Fair Labor Standards Act, 29 U.S.C. sec. 201 et seq., an appointing authority may grant compensatory time, in lieu of overtime pay, at the rate of one and one-half (1.5) hours for each hour the employee is authorized to work in excess of forty (40) hours in a work week. An employee who is transferred or otherwise changed from the jurisdiction of one agency to another shall retain his compensatory leave in the receiving agency.

(2) Any employee who leaves state service shall be paid for the balance of unused compensatory time.

(3) Attorneys in the Department of Public Advocacy who accumulate two hundred forty (240) hours of compensatory leave shall not be paid for fifty (50) hours at the regular rate of pay but shall have fifty (50) hours converted to sick leave.

Section 21. The following KRS sections are repealed:

31.025 Liability insurance for full-time public advocates.

31.051 Moneys from indigent defendants credited to fund of county where trial held -- Use -- Administrative fee assessed on persons for whom counsel is provided.

31.080 Public advocate -- Solicitation of funds for programs.

31.090 Funding deficiencies.

31.130 Assignment of substitute attorney.

31.150 Recovery of money wrongfully received.

31.160 Provisions for joint representation by counties, cities and districts.

31.190 Appropriation of money by fiscal court and cities.

31.180 Facilities and services available to public advocates.

31.200 Expenses chargeable to county and to public advocate.

31.210 Annual reports -- Records.

31.240 Compensation by counties of public advocates -- State contributions.

Section 22. The Kentucky Law Enforcement Council shall study the feasibility of certifying investigators employed by the Department of Public Advocacy, or by a nonprofit association that contracts with the Department of Public Advocacy to provide public advocacy services. The study shall be conducted with the assistance of the Department of Criminal Justice training and the Department of Public Advocacy. The study shall evaluate the minimum qualifications, necessary training, and associated procedures for certification, and the availability of funding through the Kentucky Law Enforcement Foundation Program Fund. A report shall be prepared and submitted to the Secretary of the Justice Cabinet no later than September 1, 2002.

Motions, Petitions, and Communications (Continued)

Representative Burch moved that **HB 569** be withdrawn. Agreed.

Representative P. Clark moved that **HB 592** be withdrawn. Agreed.

Representative Bratcher moved that **HB 479** be withdrawn. Agreed.

Representative Dw. Butler moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Dw. Butler moved that he be recorded as voting "yea" on **HB 321**. Agreed.

Representative Brinkman moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Brinkman moved that he be recorded as voting "yea" on **HB 321**. Agreed.

Representative Stumbo moved that the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Stumbo moved the adoption of the following **Legislative Citation No. 30**.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes the lifetime achievements of Chester Layne and does on this day adjourn the Kentucky House of Representatives in honor of an exceptional life. During his lifetime, Chester Layne was truly the cornerstone of the Floyd County business community and was respected and honored in Floyd County, Kentucky, for his professionalism, his integrity in business and his generosity to the community. He lived his life believing citizens should give back to their community and was the epitome of that commitment. Consequently, his son, Malcom, who is indeed a reflection of his upbringing, has carried that remarkable business sense and community spirit forward. Done in Frankfort, Kentucky, this sixth day of February, in the year two thousand and two.

Legislative Citation No. 30 was adopted without objection.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 2 to the Committee Substitute to **HB 161**, by Representative Nunn:

On page 2, line 6, by deleting "***and***"; and

On page 2, line 8, by deleting the period and inserting "***; and***" in lieu thereof; and

On page 2, between lines 8 and 9, by inserting the following:

"***(f) Centralized registration for providers and payors for the purposes of participating in the telehealth network and electronic health program, and for receipt of health alert information as required by the Centers for Disease Control and Prevention, the Department for Public Health, and local health departments.***"; and

On page 2, line 12, after "***(XML)***" by inserting "***or a later version***"; and

On page 2, line 15, after "***HL7 RIM)***" by inserting "***or a later version***"; and

On page 2, line 20, after "***RT)***" by inserting "***or a later version***"; and

On page 2, line 21, after "***(LOINC)***" by inserting "***or a later version***".

Floor Amendment No. 4 to the Committee Substitute to **HB 207**, by Representative Jenkins:

On page 2, at the beginning of line 5, delete "***home builder, home designer,***"; and

On page 2, between lines 14 and 15, insert a new subsection as follows:

"***(5) Nothing in Sections 1 to 10 of this Act shall be construed to limit, interfere, or restrict the manner in which home builders, home designers, certified kitchen designers, certified bath designers, or certified master kitchen and bath designers offer or provide their services.***".

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 369, Representative Hall

HB 381, Representative Haydon

HB 385, Representatives A. Arnold, Baugh, Ballard, Hall, Marcotte, and Riner

HB 452, Representative Simpson

HB 467, Representative Marzian

HB 496, Representatives A. Arnold, Marcotte, and Palumbo

HB 553, Representatives Stein and Marzian

HB 572, Representative Stewart

HB 607, Representatives Adkins, J. Arnold, Ballard, C. Belcher, Bratcher, Buckingham, De. Butler, Cherry, Damron, DeWeese, Feeley, Geveden, Hall, Heleringer, S. Lee, Napier, Nesler, Rasche, Stewart, and Tapp

HB 609, Representative Gooch.

Announcements

The following meeting was announced:

Elections, Constitutional Amendments, and Intergovernmental Affairs: Thursday, February 7, 2002.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., on Thursday, February 7, 2002.

The motion that the House adjourn until 2:00 p.m., Thursday, February 7, 2002, was adopted by voice vote.

THURSDAY, FEBRUARY 7, 2002

TWENTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend Jana Hall, First Presbyterian Church, Frankfort, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Wayne.

Representative Ballard moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Senate Message

Announcing Passage of **SB 115, SB 116,** and **SCR 47**. (Time: 2:10 p.m.)

Representative Ballard moved that the reading of the Journal of February 6, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Representative Barrows moved that the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Barrows moved the adoption of the following **Legislative Citation No. 32**.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes the students, faculty, and parents of Peaks Mill Elementary School for the phenomenal courage and tenacity that each has displayed following the tragic fire that ravaged the school's entire second floor, effectively forcing teachers and staff to abandon school services in an effort to clean up and repair damages and to assess the school's safety for the many children who study there. Despite the fact that the school suffered tremendous losses, including its beloved library which sustained irreparable damage and the many classrooms and class materials which were harmed by either fire or smoke; and despite the fact that the school was in the process of finishing its last year in its current building to make way for a new and more modern structure, these brave citizens and scholars persevered with great success, resuming classes within only one week of the disaster in temporary classrooms erected in the school gym and cafeteria and on the ball field adjacent to the school. As the community of Peaks Mill, Kentucky, unites in support of those students, faculty members, and parents who have endured the poignant loss of this school which was so dearly cherished by all associated with it, the members of this august body are honored to join with Representative Joe Barrows and Representative Gippy Graham in offering sincerest condolences for their loss and in extending best wishes to all those who have contributed to the rich history and celebrated success of Peaks Mill Elementary School and who will continue to work on its behalf and in fine service of the youth of this Commonwealth. Done in Frankfort, Kentucky, this seventh day of February, in the year two thousand and two.

Legislative Citation No. 32 was adopted without objection.

Representative Treesh moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Treesh moved the adoption of the following **Legislative Citation No. 33**.

The House of Representatives of the Commonwealth of Kentucky hereby honors and commends the talented members of the Owensboro Catholic High School Boys Cross Country Team for outstanding athletic performance that resulted in this remarkable group of athletes winning the KHSAA Class AA State Cross Country Championship title. Inasmuch as the members of this celebrated team have demonstrated extraordinary talent, dedication and sportsmanship and have richly added to the winning tradition associated with the OCHS athletic program, the entire membership of this distinguished body is delighted to join with Representative Mark Treesh in applauding the members of the Owensboro Catholic High School Boys Cross Country Team for the honor and acclaim each has brought his school and community by the effort put forth in this most worthwhile endeavor and in extending best wishes for continued athletic victories. Done in Frankfort, Kentucky, this seventh day of February, in the year two thousand and two.

Legislative Citation No. 33 was adopted without objection.

Introduction of Bills and Resolutions

HB 614, by Representatives Moberly, Sims, L. Clark, Draud, J. Lee, Napier, Treesh, and Pasley: AN ACT relating to revenue and taxation.

HB 615, by Representatives Denham, Riggs, and Meeks: AN ACT relating to community development.

HB 616, by Representatives C. Belcher, Crall, Jenkins, Burch, Stein, Palumbo, and Gooch: AN ACT relating to a physician registry.

HR 116, by Representative Napier: A RESOLUTION adjourning the House of Representatives in loving memory and honor of William R. "Bill" Layton.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills:

Appropriations and Revenue: **HB 604, 606, 612**

Economic Development: **HB 602**

Elections, Constitutional Amendments, and Intergovernmental Affairs: **HB 611**

Judiciary: **HB 603, 610, SB 119**

Licensing and Occupations: **HB 605**

Local Government: **HB 609**

Seniors, Military Affairs and Public Safety: **HB 613**

State Government: **HB 607, 608, SB 14, 45**

Report of Committees

The Committee on Rules reported that **HB 235** and **HB 452** have been posted for passage in the Orders of the Day for February 8, 2002.

The Committee on Health and Welfare reported **HB 16,** with Committee Substitute attached thereto, **HB 351,** with Committee Substitute attached thereto, **HB 464,** and **HB 484** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 16, AN ACT relating to prescription drugs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 205.510 TO 205.645 IS CREATED TO READ AS FOLLOWS:

(1) Medicaid shall reimburse any pharmacy or pharmacist for a ninety (90) day supply for any prescription and refills for any drug prescribed for a Medicaid recipient by a health care provider legally authorized to prescribe the drug, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization for the drug has been obtained. This provision shall exclude any controlled substance as defined in KRS 218A.010.

(2) The cabinet shall promulgate administrative regulations to:

(a) Establish procedures to reimburse pharmacists or pharmacies for a ninety (90) day supply of prescription drugs;

(b) Permit health care providers legally authorized to prescribe drugs to write prescriptions, including refills, for Medicaid recipients for a ninety (90) day supply of any drug at the health provider's discretion, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization has been obtained. This provision shall exclude any controlled substance as defined in KRS 218A.010; and

(c) Limit the dispensing fee for a ninety (90) day supply to the amount reimbursed for a prescription for a thirty (30) day supply of a drug.

SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS

FOLLOWS:

(1) All health benefit plans that provide prescription drug coverage shall provide reimbursement for a ninety (90) day supply of any prescription and refills thereof for any covered drug prescribed by a health care provider legally authorized to prescribe the drug, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization has been obtained. This provision shall exclude any controlled substance as defined in KRS 218A.010.

(2) All health benefit plans that provide prescription drug coverage shall authorize participating health care providers who are legally authorized to prescribe drugs to write prescriptions and refills for a ninety (90) day supply of any covered drug at the discretion of the health care provider, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization has been obtained. This provision shall exclude any controlled substance as defined in KRS 218A.010.

(3) Any copayment for a prescription for a ninety (90) day supply of a covered drug shall not be greater than the copayment for a prescription for a thirty (30) day supply.

The Committee Substitute to **HB 16** is as follows:

HB 16, AN ACT relating to prescription drugs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 205.510 TO 205.645 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section "lock-in" means a program in which a Medicaid recipient is restricted to obtaining a particular health service from a single exclusive provider.

(2) Medicaid may reimburse any pharmacy or pharmacist for a ninety (90) day supply for any prescription refill for any noncontrolled drug prescribed for a Medicaid recipient by a health care provider legally authorized to prescribe the drug, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization for the drug has been obtained. If Medicaid provides reimbursement for a ninety (90) day supply of any prescription refill, it shall provide reimbursement for a ninety (90) day supply to any dispensing pharmacy that participates in the Medicaid program, except in a voluntary lock-in program administered by the cabinet.

(3) If Medicaid provides reimbursement for a ninety (90) day supply of any prescription refill, the cabinet shall promulgate administrative regulations to:

(a) Establish procedures to reimburse pharmacists or pharmacies for a ninety (90) day supply of noncontrolled prescription drugs;

(b) Permit health care providers legally authorized to prescribe drugs to write prescription refills for Medicaid recipients for a ninety (90) day supply of any drug at the health provider's discretion, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization for the drug has been obtained; and

(c) Limit the dispensing fee for a ninety (90) day supply to the amount reimbursed for a prescription for a thirty (30) day supply of a drug or as otherwise determined by the cabinet.

SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) All health benefit plans that provide prescription drug coverage may provide reimbursement for a ninety (90) day supply of any prescription refill for any covered noncontrolled drug prescribed by a health care provider legally authorized to prescribe the drug, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization for the drug has been obtained.

(2) All health benefit plans that provide prescription drug coverage may authorize participating health care providers who are legally authorized to prescribe drugs to write prescription refills for a ninety (90) day supply of any covered noncontrolled drug at the discretion of the health care provider, if the drug's dosage, usage, and duration of therapy are consistent with the recommendations of the official United States Pharmacopoeia or medical literature for the disease or condition for which it was prescribed and any necessary prior authorization for the drug has been obtained.

HB 351, AN ACT relating to breast-feeding.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The General Assembly of the Commonwealth of Kentucky recognizes and hereby declares that breast-feeding a baby is an important and basic act of nurture that must be encouraged in the interests of maternal and child health and family values. This section is enacted with the expressed legislative intention of encouraging mothers to consider the benefits of breast-feeding as a choice that enhances their own health and the health of babies.

(2) As used in this section, "department" means the Department for Public Health.

(3) A mother may breast-feed her baby in any location, public or private, where the mother is otherwise authorized to be.

(4) A business or agency may use the designation "mother-friendly" in its promotional materials if the business or agency develops a policy supporting the practice of worksite breast-feeding that addresses the following:

(a) Work schedule flexibility, including scheduling breaks and work patterns to provide time for expression of milk;

(b) The provision of accessible locations allowing privacy;

(c) Access nearby to a clean, safe water source, and a sink for washing hands and rinsing out any needed breast-pumping equipment; and

(d) Access to hygienic storage alternatives in the workplace for the mother's breast milk.

(5) The business or agency may submit its breast-feeding policy to the department. The department may maintain a list of "mother-friendly" businesses and agencies covered under this section and make the list available for public inspection.

(6) A state agency that administers a program providing maternal or child health services is encouraged to provide information that encourages breast-feeding to program participants who are pregnant women or mothers with babies.

(7) The department shall annually publish statistical information related to breast-feeding beginning in fiscal year 2002-2003. The information shall include data on facilities providing maternity services or baby care having the highest proportion of mothers breast-feeding in each region.

(8) The department may provide information on the Baby-Friendly Hospital Initiative.

(9) The department may include a program of lactation support services as part of the benefits and services provided for pregnant and breast-feeding participants in the Women, Infants, and Children Nutrition Program. The program may include payment for breast pumps or any supply deemed essential for the successful maintenance of lactation, as well as a lactation specialist who is a registered nurse, a licensed dietitian, an International Board Certified lactation consultant, or a person who has successfully completed a lactation management training program.

(10) The department shall coordinate the operation of the Women, Infants, and Children program with the Department for Medicaid Services whereby each department provides information about the services offered by the other to applicants for services.

The Committee Substitute to **HB 351** is as follows:

HB 351, AN ACT relating to breast-feeding.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

(1) The General Assembly of the Commonwealth of Kentucky recognizes and hereby declares that breast-feeding a baby is an important and basic act of nurture that must be encouraged in the interests of maternal and child health and family values. This section is enacted with the expressed legislative intention of encouraging mothers to consider the benefits of breast-feeding as a choice that enhances their own health and the health of babies.

(2) As used in this section, "department" means the Department for Public Health.

(3) A mother may breast-feed her baby in any location, public or private, where the mother is otherwise authorized to be except that a school council, established pursuant to KRS 160.345, or if there is no school council, the principal of an elementary or secondary school, may adopt a policy establishing a location within the school building where a mother may breast-feed her baby.

(4) A business or agency may use the designation "mother-friendly" in its promotional materials if the business or agency develops a policy supporting the practice of worksite breast-feeding that addresses the following:

(a) Work schedule flexibility, including scheduling breaks and work patterns to provide time for expression of milk;

(b) The provision of accessible locations allowing privacy;

(c) Access nearby to a clean, safe water source, and a sink for washing hands and rinsing out any needed breast-pumping equipment; and

(d) Access to hygienic storage alternatives in the workplace for the mother's breast milk.

(5) The business or agency may submit its breast-feeding policy to the department. The department may maintain a list of "mother-friendly" businesses and agencies covered under this section and make the list available for public inspection.

(6) A state agency that administers a program providing maternal or child health services is encouraged to provide information that encourages breast-feeding to program participants who are pregnant women or mothers with babies.

(7) The department shall annually publish statistical information related to breast-feeding beginning in fiscal year 2003-2004. The information shall include data on facilities providing maternity services or baby care having the highest proportion of mothers breast-feeding in each region.

(8) The department may provide information on the Baby-Friendly Hospital Initiative.

(9) The department may include a program of lactation support services as part of the benefits and services provided for pregnant and breast-feeding participants in the Women, Infants, and Children Nutrition Program. The program may include payment for breast pumps or any supply deemed essential for the successful maintenance of lactation, as well as a lactation specialist who is a registered nurse, a licensed dietitian, an International Board Certified lactation consultant, or a person who has successfully completed a lactation management training program.

(10) The department shall coordinate the operation of the Women, Infants, and Children program with the Department for Medicaid Services whereby each department provides information about the services offered by the other to applicants for services.

HB 464, AN ACT relating to health departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 212.632 is amended to read as follows:

(1) The board shall be composed of *thirteen (13)*[~~nine (9)~~] members, one (1) of whom shall be an ex officio member and the mayor of the urban-county government, one (1) of whom shall be an ex officio member and a member of the urban-county government legislative body and appointed by the mayor, and *eleven (11)*[~~seven (7)~~] of whom shall be appointed by the mayor with the approval of the urban-county government legislative body. Of the *eleven (11)*[~~seven (7)~~] appointed members, three (3) shall be licensed and practicing physicians, one (1) a licensed and practicing dentist, one (1) a licensed and practicing registered nurse, and *six (6)*[~~two (2)~~] members at large. Appointment of the physician, dentist, and nurse shall be made from a list of three (3) nominees submitted by any of the respective county professional societies for which a vacancy exists. All appointed members shall reside in the county of the board to which they are appointed and shall be eligible for reappointment.

(2)[~~Of the original appointments to fill the seven (7) appointed positions on the board, the mayor shall, within thirty (30) days from July 1, 1977, appoint three (3) members for a term expiring June 30, 1978, and four (4) members for a term expiring June 30, 1979. All seven (7) original appointees shall be appointive members serving on the city-county board of health on July 1, 1977.~~

~~(3)~~] At the expiration of *any term*[~~the terms~~] of office[~~ of the seven (7) original appointees~~], the successor to each[~~ such~~] member shall be appointed in the manner prescribed under the provisions of subsection (1) of this section for a term of office of two (2) years and until *the*[~~his~~] successor is appointed and qualified.

(3)[~~(4)~~] All vacancies occurring on the board by reason of death, resignation, disqualification, removal, or otherwise[~~,~~] shall be filled for the unexpired term in the manner prescribed under the provisions of subsection (1) of this section.

Section 2. KRS 212.633 is amended to read as follows:

(1) The board shall elect from among its members a chairman who shall serve for a one (1) year term and be eligible for reelection.[~~ The chairman of the city-county board of health on July 1, 1977, shall serve the remainder of his term or for a period of one (1) year. ~~] A quorum for all meetings of the board shall consist of a majority of the members of the board, except that for the selection or dismissal of the commissioner,[~~ the adoption of the annual budget and the adoption or amendment of regulations~~] a quorum shall consist of not fewer than *ten (10)*[~~seven (7)~~] of the *thirteen (13)*[~~nine (9)~~] members of the board. All official action by the board shall be by a vote of a majority of all board members present.

(2) The board for administrative purposes may create *any*[~~such~~] committees and offices as it deems necessary *and*[~~,~~] adopt any and all necessary and appropriate rules and regulations for the conduct of its business and for carrying out the provisions of KRS 212.626 to 212.639, and shall keep a record of its resolutions, transactions, findings, and determinations, which record shall be a public record. The board shall hold at least one (1) regular meeting in each month and *any*[~~such~~] other meetings upon call of the chairman of the board as may be necessary.

Section 3. KRS 212.740 is amended to read as follows:

Moneys derived in the manner provided by KRS 212.720 to 212.755 may be expended for the construction, alteration, or modification of a public health center or other suitable housing facility for the county or city-county health department *or urban-county department of health*.

Section 4. KRS 212.750 is amended to read as follows:

(1) It is the intent of this section and KRS 212.755, inter alia, to create a public health taxing district via operation of law in every county of the Commonwealth that has not heretofore created same except in counties containing cities of the first class.

(2) In all counties where a county or city-county health department *or urban-county department of health* has been established*,* except in counties containing a city of the first class, and a public health taxing district has not been established pursuant to the provisions of KRS 212.720 to 212.740, a public health taxing district is hereby declared to be created upon June 13, 1968*, or upon the creation of an urban-county department of health*. The members of the county[,] or city-county board of health *or urban-county department of health* shall, by virtue of their office, constitute and be the governing body of the public health taxing district and shall perform the duties attendant thereto in addition to their duties as members of the county[,] or city-county board of health *or urban-county department of health*. The officers of the county or city-county board of health *or urban-county department of health* shall be the officers of the public health taxing district.

(3) Nothing in this section and KRS 212.755 shall in any way abridge the rights of two (2) or more counties from establishing a district health department.

Section 5. KRS 212.755 is amended to read as follows:

(1) If, after the establishment of the public health taxing district as provided for in this section and KRS 212.750, the tax-levying authorities of the district, in the opinion of the county or city-county board of health *or urban-county department of health*, do not appropriate an amount sufficient to meet the public health needs of the county or the city-county health department *or urban-county department of health* or do not appropriate an amount sufficient to meet the standards prescribed by the Cabinet for Health Services for local health departments, the county or city-county board of health *or urban-county department of health*, acting as the governing body of the taxing district shall, with the approval of the Cabinet for Health Services, request the fiscal court *or urban-county government* to impose by resolution a special ad valorem public health tax in an amount that it deems sufficient, but not in excess of ten cents ($0.10) per one hundred dollars ($100) of full value assessed valuation. The fiscal court *or urban-county government* may, upon receipt of a duly certified copy of the resolution, include in the next county ad valorem tax levy the special public health tax imposed by the county or city-county board of health *or urban-county department of health,* which shall be in addition to all other county ad valorem taxes. If levied by the fiscal court *or urban-county government*, the special public health tax shall be collected in the same manner as are other county ad valorem taxes and turned over to the county or city-county board of health *or urban-county department of health* to be used solely for the maintenance and operation of the county, city-county, or district health department *or urban-county department of health* and as provided in KRS 212.740.

(2) Public health taxing districts organized pursuant to the provisions of KRS 212.720 to 212.740 or organized pursuant to this section and KRS 212.750 shall not be subject to the provisions of the compensating tax rate as defined by KRS 132.010 nor to Chapter 2, 1965 First Extraordinary Session of the General Assembly; provided, however, that no public health taxing district shall impose a rate higher than ten cents ($0.10) per one hundred dollars ($100) of full value assessed valuation.

Section 6. The following KRS section is repealed:

212.634 Citizens' advisory council -- Membership -- Duties.

HB 484, AN ACT relating to state purchases of food or beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

(1) This section shall apply to any contract entered into by an agency or a business that contracts with a local school board, local school district, or other agency to provide food or meal services.

(2) In addition to any requirements established by the United States Department of Agriculture under the National School Lunch Program, the School Breakfast Program, or other federally-supported food service programs, an agency or business that provides food or meal services under contract with a local school board, local school district, or other agency shall give preference in purchasing contracts to high calcium foods or beverages.

(3) For the purposes of this section, the term "high calcium foods or beverages" means foods or beverages that contain a higher level of calcium and that are equal to or lower in price than other products of the same type and quality.

(4) Notwithstanding subsection (2) of this section, if the director of a program operated by an agency or business offering food or meal services on behalf of a local school board, local school district, or other agency determines that a high calcium food or beverage would interfere with the proper treatment and care of an individual receiving services from the program, then the purchasing agent for that institution or business shall not be required to purchase a high calcium food or beverage for that individual.

(5) A purchasing agent who has entered into a contract with a supplier to purchase food or beverages before July 1, 2002, is not required to purchase high calcium foods or beverages if purchasing those products would change the terms of the contract.

The Committee on Local Government reported **HB 344,** with Committee Substitute attached thereto, **HB 357, HB 477,** with Committee Substitute attached thereto, **HB 483, HB 520,** and **HB 548** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 344, AN ACT relating to special districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 65.065 is amended to read as follows:

(1) The governing body of each district shall annually prepare a budget and, as appropriate, shall classify budget units in the same fashion as county budgets are classified in accordance with KRS 68.240(2) to (5). The state local finance officer shall prepare standard budget forms for district use and shall furnish them to county clerks for distribution to district officers. No moneys shall be expended from any funds or any sources, except in accordance with the budget which has been filed with the fiscal court to be available for public inspection. No budget of a district shall become effective until filed with the fiscal court of the county in which the district is located for submission to the Department for Local Government. For those districts with multicounty jurisdictions, the district shall file a copy with each of the fiscal courts within the jurisdiction of the district for their review. If the budget is not filed with the fiscal court ***at least thirty (30) days prior to the start of the district fiscal***~~[by June 1 of each]~~ year, the fiscal court shall immediately notify the county attorney. The county attorney shall then notify the governing board of the special district of the noncompliance and then proceed with any steps necessary to prevent the expenditure of funds by the special district until the district is in compliance.

(2) The governing body of each district which for the year in question receives from all sources or expends for all purposes less than four hundred thousand dollars ($400,000) shall annually prepare a financial statement, except that once every four (4) years the district's governing body shall provide for the performance of an audit as provided in subsection (4) of this section.

(3) The governing body of each district which for the year in question receives from all sources or expends for all purposes four hundred thousand dollars ($400,000) or more shall provide for the performance of an annual audit as provided in subsection (4) of this section.

(4) To provide for the performance of an audit, the governing body of a district shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to perform an audit of the funds in the district budget. The audit shall conform to:

(a) Generally-accepted governmental auditing standards, which means those standards for audits of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States; and

(b) Additional procedures and reporting requirements as may be required by the Auditor of Public Accounts. A unit of government furnishing funds directly to a district may require additional audits at its own expense. Upon request, the State Auditor of Public Accounts may review the final report and all related work papers and documents of the independent certified public accountant relating to the audit. If a district is required by law to audit its funds more often than is required by this section, it shall perform those audits and may submit them in lieu of the requirements of this section, if the audits meet the requirements of this subsection.

(5) The provisions of subsection (2) of this section shall not apply to any district that is required by law to annually submit a financial report to an agency of state government. The districts shall annually submit a copy of their financial report to the county judge/executive and to the state local finance officer and once every four (4) years provide for the performance of an audit as provided in subsection (4) of this section.

(6) Any resident of the district may bring an action in the Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated the provisions of this section, shall order the district to comply with the provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

Section 2. KRS 65.070 is amended to read as follows:

(1) ***Within sixty (60) days from the close of the fiscal year, the***~~[By the first day of July of each year, before a district budget takes effect and after the uniform financial information report required by KRS 65.900 to 65.920 is submitted to the Department for Local Government, a]~~ district shall:

(a) File with the county clerk of each county with territory in the district a certification showing any of the following information that has changed since the last filing by the district:

1. The name of the district;
2. A map or general description of its service area;
3. The statutory authority under which it was created; and
4. The names, addresses, and the date of expiration of the terms of office of the members of its governing body and chief executive officer;

(b) Submit for review a copy of the district budget, financial statement if prepared, and audit when performed, with the fiscal court of each county with territory in the district; and

(c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement, which includes the location of supporting documents, or the location of district financial records which may be examined by the public.

(2) The Department for Local Government shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.

(3) Any resident of the district may bring an action in the Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated the provisions of this section, shall order the district to comply with its provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

The Committee Substitute to **HB 344** is as follows:

HB 344, AN ACT relating to special districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 65.065 is amended to read as follows:

(1) The governing body of each district shall annually prepare a budget and, as appropriate, shall classify budget units in the same fashion as county budgets are classified in accordance with KRS 68.240(2) to (5). The state local finance officer shall prepare standard budget forms for district use and shall furnish them to county clerks for distribution to district officers. No moneys shall be expended from any funds or any sources, except in accordance with the budget which has been filed with the fiscal court to be available for public inspection. No budget of a district shall become effective until filed with the fiscal court of the county in which the district is located for submission to the Department for Local Government. For those districts with multicounty jurisdictions, the district shall file a copy with each of the fiscal courts within the jurisdiction of the district for their review. If the budget is not filed with the fiscal court ***at least thirty (30) days prior to the start of the district fiscal***~~[by June 1 of each]~~ year, the fiscal court shall immediately notify the county attorney. The county attorney shall then notify the governing board of the special district of the noncompliance and then proceed with any steps necessary to prevent the expenditure of funds by the special district until the district is in compliance.

(2) The governing body of each district which for the year in question receives from all sources or expends for all purposes less than four hundred thousand dollars ($400,000) shall annually prepare a financial statement, except that once every four (4) years the district's governing body shall provide for the performance of an audit as provided in subsection (4) of this section.

(3) The governing body of each district which for the year in question receives from all sources or expends for all purposes four hundred thousand dollars ($400,000) or more shall provide for the performance of an annual audit as provided in subsection (4) of this section.

(4) To provide for the performance of an audit, the governing body of a district shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to perform an audit of the funds in the district budget. The audit shall conform to:

(a) Generally-accepted governmental auditing standards, which means those standards for audits of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States; and

(b) Additional procedures and reporting requirements as may be required by the Auditor of Public Accounts. A unit of government furnishing funds directly to a district may require additional audits at its own expense. Upon request, the State Auditor of Public Accounts may review the final report and all related work papers and documents of the independent certified public accountant relating to the audit. If a district is required by law to audit its funds more often than is required by this section, it shall perform those audits and may submit them in lieu of the requirements of this section, if the audits meet the requirements of this subsection.

(5) The provisions of subsection (2) of this section shall not apply to any district that is required by law to annually submit a financial report to an agency of state government. The districts shall annually submit a copy of their financial report to the county judge/executive and to the state local finance officer and once every four (4) years provide for the performance of an audit as provided in subsection (4) of this section.

(6) Any resident of the district may bring an action in the Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated the provisions of this section, shall order the district to comply with the provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

Section 2. KRS 65.070 is amended to read as follows:

(1) ***Within sixty (60) days following the close of the fiscal year, the***~~[By the first day of July of each year, before a district budget takes effect and after the uniform financial information report required by KRS 65.900 to 65.920 is submitted to the Department for Local Government, a]~~ district shall:

(a) File with the county clerk of each county with territory in the district a certification showing any of the following information that has changed since the last filing by the district:

1. The name of the district;
2. A map or general description of its service area;
3. The statutory authority under which it was created; and
4. The names, addresses, and the date of expiration of the terms of office of the members of its governing body and chief executive officer;

(b) Submit for review a copy of the ***summary***~~[district budget,]~~ financial statement~~[if prepared, and audit when performed,]~~ with the fiscal court of each county with territory in the district; and

(c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement, which includes the location of supporting documents, or the location of district financial records which may be examined by the public.

(2) ***The district shall submit for review a copy of the audit with the fiscal court of each county with territory in the district. The submission shall be made within thirty (30) days of the district's receipt of the completed audit.***

(3) The Department for Local Government shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.

(4)~~[(3)]~~ Any resident of the district may bring an action in the Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated the provisions of this section, shall order the district to comply with its provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

HB 357, AN ACT relating to boards of ethics of local governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 65.003 is amended to read as follows:

(1) The governing body of each city and county, including urban-counties and charter counties, shall adopt, by ordinance, a code of ethics which shall apply to all elected officials of the city or county, and to appointed officials and employees of the city or county government***, or agencies created jointly,*** as specified in the code of ethics. The elected officials of a city or county to which a code of ethics shall apply include the mayor, county judge/executive, members of the governing body, county clerk, county attorney, sheriff, jailer, coroner, surveyor, and constable but do not include members of any school board. ***Agencies created jointly may include planning or administrative commissions or boards.*** Candidates for the city and county elective offices specified in this subsection shall comply with the annual financial disclosure statement filing requirements contained in the code of ethics.

(2) Any city or county may enter into ***a memorandum of agreement or*** an ***interlocal*** agreement with one (1) or more other cities or counties~~[, in accordance with the provisions of the Interlocal Cooperation Act, KRS 65.210 to 65.300,]~~ for joint adoption of a code of ethics which shall apply to all elected officials of the cities or counties, and to appointed officials and employees as specified by each of the cities or counties which enters into the agreement. ***Interlocal agreements shall be executed pursuant to the Interlocal Cooperation Act in KRS 65.210 to 65.300. The interlocal agreement or memorandum of agreement may provide for but shall not be limited to:***

(a) The provision of administrative services relating to the implementation of a code of ethics;

(b) The creation of a regional ethics board which serves independently to provide advice to member governments and their officials and provides for the enforcement of locally adopted codes of ethics; and

(c) Contracting by a memorandum of agreement with an area development district for the provision of administrative services relating to the implementation of a code of ethics.

Candidates for the city and county elective offices specified in this subsection shall comply with the annual financial disclosure statement filing requirements contained in the code of ethics.

(3) Each code of ethics adopted as provided by subsection (1) or (2) of this section, or amended as provided by subsection (4) of this section, shall include, but not be limited to, provisions which set forth:

(a) Standards of conduct for elected and appointed officials and employees;

(b) Requirements for creation of financial disclosure statements, which shall be filed annually by all candidates for the city and county elective offices specified in subsection (1) of this section, elected officials of each city and county government, and other officials or employees of the city or county government, as specified in the code of ethics, and which shall be filed with the person or group responsible for enforcement of the code of ethics***, provided that nonpaid members of jointly created agencies may be exempted from disclosure of financial details***;

(c) A policy on the employment of members of the families of officials or employees of the city or county government, as specified in the code of ethics;

(d) The designation of a person or group who shall be responsible for enforcement of the code of ethics, including maintenance of financial disclosure statements, all of which shall be available for public inspection, receipt of complaints alleging possible violations of the code of ethics, issuance of opinions in response to inquiries relating to the code of ethics, investigation of possible violations of the code of ethics, and imposition of penalties provided in the code of ethics.

(4) The code of ethics ordinance adopted by a city or county may be amended but shall not be repealed.

(5) (a) Within twenty-one (21) days of the adoption of the code of ethics required by this section, each city and county shall deliver a copy of the ordinance by which the code was adopted and proof of publication in accordance with KRS Chapter 424 to the Department for Local Government. The department shall maintain the ordinances as public records and shall maintain a list of city and county governments which have adopted a code of ethics and a list of those which have not adopted a code of ethics.

(b) Within twenty-one (21) days of the amendment of a code of ethics required by this section, each city or county shall deliver a copy of the ordinance by which the code was amended and proof of publication in accordance with KRS Chapter 424 to the Department for Local Government, which shall maintain the amendment with the ordinance by which the code was adopted.

(c) For ordinances adopting or amending a code of ethics under this section, cities of the first class shall comply with the publication requirements of KRS 83A.060(9), notwithstanding the exception contained in that statute.

(6) If a city or county government fails to comply with the requirements of this section, the Department for Local Government shall notify all state agencies, including area development districts, which deliver services or payments of money from the Commonwealth to the city or county government. Those agencies shall suspend delivery of all services or payments to the city or county government which fails to comply with the requirements of this section. The Department for Local Government shall immediately notify those same agencies when the city or county government is in compliance with the requirements of this section, and those agencies shall reinstate the delivery of services or payments to the city or county government.

HB 477, AN ACT relating to fire protection district board members.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 75.260 is amended to read as follows:

(1) The board may fix the respective salaries of its members on a per meeting basis not to exceed ***one hundred dollars ($100)***~~[twenty five dollars ($25) per meeting and not to exceed one (1) meeting]~~ per month.

(2) The board shall meet at least once a month at a time and place designated by the board and all meetings, except executive meetings, shall be open to the public.

The Committee Substitute to **HB 477** is as follows:

HB 477, AN ACT relating to fire protection district board members.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 75.260 is amended to read as follows:

(1) The board may fix the respective salaries of its members on a per meeting basis not to exceed ***one hundred dollars ($100)***~~[twenty five dollars ($25) per meeting and not to exceed one (1) meeting]~~ per month.

(2) The board shall meet at least once a month at a time and place designated by the board and all meetings, except executive meetings, shall be open to the public.

Section 2. KRS 75.031 is amended to read as follows:

(1) (a) Upon creation of a fire protection district or a volunteer fire department district as provided in KRS 75.010, the affairs of the district shall be conducted by the board of trustees consisting of seven (7) members, four (4) to be elected by the members of the district as hereinafter set out and three (3) to be appointed by the county judge/executive. Two (2) members of the board of trustees shall be elected by the members of the firefighters of the district and shall be members of the district. ***One (1) of these two (2) members shall be a paid firefighter and the other member shall be a volunteer firefighter. If, however, no volunteer members are available, a second paid firefighter may be elected***~~[No more than one (1) of the two (2) firefighter trustees may be an employee of the fire protection district or volunteer fire department district]~~. Two (2) members of the board of trustees shall be property owners who own real or personal property which is subject to the fire protection tax pursuant to KRS 75.040, who personally reside in the district, and who are not active firefighters and shall be elected by the property owners of the district. Property owners voting to select representatives to the board of trustees shall have attained the age of eighteen (18). The county judge/executive of the county in which the greater part of the district is located shall,

with the approval of the fiscal court, appoint three (3) members of the board of trustees. In counties containing a city of the first class, trustees appointed by the county judge/executive to serve in volunteer fire prevention districts shall reside within the boundaries of that county. At the first election held after the district is formed, one (1) firefighter shall be elected to serve on the board of trustees for a period of one (1) year and one (1) for a period of three (3) years, and one (1) nonfirefighter property owner shall be elected to serve on the board of trustees for a period of two (2) years and one (1) for a period of four (4) years. On the expiration of the respective terms, the successor to each shall have the same qualifications as his or her predecessor and shall be elected for a term of four (4) years. The original appointed members of the board of trustees shall be appointed for terms of one (1), two (2), and three (3) years respectively. On the expiration of the respective terms, the successors to each shall be appointed for a term of three (3) years. In the event of a vacancy in the term of an appointed or elected trustee, the county judge/executive shall appoint with the approval of the fiscal court a trustee for the remainder of the term.

(b) An appointed trustee may be removed from office as provided by KRS 65.007.

(c) No person shall be an elected trustee who, at the time of his election, is not a citizen of Kentucky and has not attained the age of twenty-one (21).

(d) Unless otherwise provided by law, an elected firefighter trustee may be removed from office by the county judge/executive of the county in which the greater part of the district is located after a hearing with notice as required by KRS Chapter 424, for inefficiency, neglect of duty, malfeasance or conflict of interest. The hearing shall be initiated and chaired by the county judge/executive, who shall prepare a written statement setting forth the reasons for removal. The trustee to be removed shall be notified of his proposed removal and the reasons for the proposed removal by registered mail sent to his last known address at least ten (10) days prior to the hearing. The person proposed to be removed may employ counsel to represent him. A record of the hearing shall be made by the county judge/executive.

(e) The removal of an elected firefighter trustee of a fire protection district shall be subject to the approval of the fiscal court of the county in which the greater part of the district is located.

(f) An elected firefighter trustee removed pursuant to paragraphs (c) and (d) of this subsection may appeal, within ten (10) days of the rendering of the decision of the fiscal court, to the Circuit Court of the county in which the greater part of the district is located. The scope of the appeal shall be limited to whether the county judge/executive or the fiscal court abused their discretion in removing the trustee.

(2) The elective offices of members of the board of trustees shall be filled by an election to be held once each year on the fourth Saturday of June between the hours of 11:00 a.m. and 2:00 p.m. The polls shall be located at the principal fire house in the district. The date, time, and place of the election shall be advertised in accordance with KRS 424.120. This notice shall be advertised at least thirty (30) days prior to the election date and shall include the names and addresses of the candidates to be voted on for each position of trustee. In lieu of the published notice for the election of the firefighter trustees, written notice containing the information required to be advertised may be sent by first-class mail to each member of the firefighters of the fire protection district or volunteer fire department district, addressed to the firefighter at his residence, at least thirty (30) days prior to the election date. The nominations for candidates for trustees both representing the firefighters and the property owners residing in the district shall be made in accordance with the bylaws of the department. The terms of the three (3) trustees appointed by the county judge/executive shall start at the same time as the terms of the elected trustees. On or before the beginning of the second fiscal or calendar year, depending on which basis the fire protection or volunteer fire department district is being operated, after June 16, 1966, all departments organized prior to June 16, 1966, shall increase their boards of trustees from three (3) to seven (7) members and elect the elective members in the manner set forth herein.

(3) The trustees shall elect from their number a chairman, a secretary and a treasurer, the latter of whom shall give bond in an amount as shall be determined by the county judge/executive of the county in which the greater part of the fire protection district is located, conditioned upon the faithful discharge of the duties of his office, and the faithful accounting for all funds which may come into his or her possession as treasurer. The premiums on the bonds shall be paid out of the funds of the district.

HB 483, AN ACT relating to fire protection districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 75.450 is amended to read as follows:

(1) A fire department which collects membership charges or subscriber fees for combatting fires or serving in other emergencies shall base its annual fee or charge on the level of protection offered.

(2) A fire department that responds to a fire or other emergency on the property of a nonmember or nonsubscriber may charge the following fees for services rendered:

(a) Up to five hundred dollars ($500) for single family residential units; utility occupancies of two thousand (2,000) or fewer square feet; assembly and business occupancies having a capacity which does not exceed one hundred (100) persons; equipment; vehicles; and grass or woods fires; and

(b) Up to one thousand dollars ($1,000) for multifamily residential units; assembly and business occupancies having a capacity exceeding one hundred (100) persons; storage occupancies; utility occupancies of more than two thousand (2,000) square feet; and all industrial, educational, or institutional occupancies; and

(c) Up to five hundred dollars ($500) for responding to emergencies not covered in subsections (2)(a) and (2)(b) of this section, including response to high hazard occupancies as defined in KRS 198B.010. The department may be entitled to recover necessary and reasonable costs in excess of the five hundred dollar ($500) limit based upon submission of a written itemized claim for the total costs incurred. Disputes involving fees in excess of the five hundred dollar ($500) limit shall be submitted to arbitration by the commission.

(3) For the purposes of subsections (2)(a) and (2)(b) of this section, the meaning of assembly, business, industrial, educational, and institutional occupancies shall be as defined in KRS 198B.010. The meaning of storage and utility occupancies shall be as defined in the Kentucky Building Code, sections 311.1 and 312.1 respectively, promulgated pursuant to KRS 198B.050.

(4) Property owned by the Commonwealth of Kentucky and the federal government shall be exempt from charges.

(5) If more than one (1) department responds to a fire or other emergency, the fee shall be paid only to the department which is authorized to protect the property pursuant to KRS 75.440(2)(a).

(6) A fire department shall respond within its jurisdiction to all fires and to other emergencies for which it is responsible as set forth in its mission statement. A copy of each fire department mission statement shall be filed with the commission. A new department shall file its statement when it is incorporated. A department in existence on July 15, 1994, shall file its mission statement by July 1, 1995. A copy of the mission statement shall be posted in a conspicuous location in each station of the department, and shall be filed with the county clerk of each county in which the department has jurisdiction pursuant to KRS 75.440(2)(a). The mission statement shall remain in effect until amended, and filed and posted by the fire department in the locations as required by this subsection.

(7) If a fire department collects membership charges or subscriber fees, the fiscal court may adopt an ordinance to require the annual membership charges or subscriber fees to be added to property tax bills. In any county where the fiscal court has adopted such an ordinance the county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners in a place separate from the bill of the fire district tax or fire subdistrict tax so that ratepayers can ascertain the amount of the membership charges or subscriber fees apart from the fire district tax.

(8) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.

SECTION 2. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

(1) If a county fire department is authorized by law to collect membership charges or subscriber fees for combatting fires or serving in other emergencies, the fiscal court may adopt an ordinance to require those annual membership charges or subscriber fees to be added to property tax bills. In any county where the fiscal court has adopted such an ordinance, the county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.

(2) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.

SECTION 3. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

(1) If a city fire department is authorized by law to collect membership charges or subscriber fees for combatting fires or serving in other emergencies, the city legislative body may adopt an ordinance to require those annual membership charges or subscriber fees to be added to property tax bills. In any city where the legislative body has adopted such an ordinance, the county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.

(2) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.

SECTION 4. A NEW SECTION OF KRS CHAPTER 273 IS CREATED TO READ AS FOLLOWS:

(1) If a fire department created under the provisions of this chapter is authorized by law to collect membership charges or subscriber fees for combatting fires or serving in other emergencies, the legislative body of the city or county where the fire department is located may require those annual membership charges or subscriber fees to be added to property tax bills. The county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.

(2) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.

HB 520, AN ACT relating to the employees of an urban-county adult misdemeanant probation and work release agency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 439.550 is amended to read as follows:

(1) If any District Court places a person on probation following a conviction of crime, either upon verdict or plea, the court may direct that the defendant be under the supervision of the Department of Corrections.

(2) In counties containing an urban-county form of government, the urban-county council shall provide for supervision of a person placed on probation or work release by the District Court of the county following a conviction of crime, either upon a verdict or plea, under the supervision of an adult misdemeanant probation and work release agency of the urban-county government. The employees of the agency shall be *classified civil service employees of a correctional services division created under KRS 67A.028 and*[~~appointed by the mayor of the urban-county government and shall serve at his pleasure but~~] shall be subject to the direction[~~ and control~~] of the judges of the District Court in the performance of their duties. There shall be the number of employees of said agency, including clerical personnel, as necessary for the operation of the agency, and they shall receive reasonable salaries to be fixed by the urban-county council which salaries shall be paid out of the urban-county treasury.

HB 548, AN ACT relating to local governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 65.260 is amended to read as follows:

(1) No agreement made pursuant to KRS 65.210 to 65.300 shall relieve any public agency of any obligation or responsibility imposed upon it by law except that to the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made pursuant to KRS 65.210 to 65.300, that performance may be offered in satisfaction of the obligation or responsibility.

(2) Except as provided in subsections (3) and (4) of this section, every agreement made pursuant to KRS 65.210 to 65.300 shall, prior to and as a condition precedent to its entry into force, be submitted to the Attorney General who shall determine whether the agreement is in proper form and compatible with the laws of this state, except for interlocal agreements between cities, counties, charter counties, urban-county governments, *special districts* and sheriffs upon approval of the fiscal court, which shall be submitted to the Department for Local Government. The Attorney General or the Department for Local Government shall approve any agreement submitted to them under this subsection unless they find that it does not meet the conditions set forth in KRS 65.210 to 65.300. If the agreement does not meet these conditions, the Attorney General or the Department for Local Government shall detail in writing, addressed to the governing bodies of the public agencies concerned, the specific respects in which the proposed agreement fails to meet the requirements of law. Failure to disapprove an agreement submitted hereunder within sixty (60) days of its submission shall constitute approval thereof.

(3) The submission of an interlocal cooperative agreement to the Attorney General or the Department for Local Government as provided in subsection (2) of this section shall not be required for any cooperative agreement which involves only the construction, reconstruction, or maintenance of a municipal road or bridge, provided a written agreement is approved by each of the affected governing bodies.

(4) Interlocal cooperative agreements between school boards and counties shall be exempt from the provisions of subsection (2) of this section.

Section 2. KRS 65.320 is amended to read as follows:

There shall be created a *County Official*[~~Local Government~~] Training Advisory Council in Kentucky, to be composed of the presidents or their designees of the Kentucky Association of Counties, the County Judge/Executives Association, *Kentucky Magistrates and Commissioners Association, the Kentucky County Clerks Association, the Kentucky Jailers Association, the Kentucky Sheriffs Association*[~~the Kentucky League of Cities, the chairperson of the Kentucky Urban Affairs Council~~], and the commissioner of the Department for Local Government *who shall act as chair. The council shall advise the Department regarding the provisions contained within KRS 64.5275(6). The council shall convene at the discretion of the chair. The members of the council shall not be compensated for their duties on the council*.

Section 3. KRS 68.245 is amended to read as follows:

(1) The property valuation administrator shall submit an official estimate of real and personal property and new property assessment as defined in KRS 132.010, to the county judge/executive by April 1 of each year.

(2) No county fiscal court shall levy a tax rate, excluding any special tax rate which may be levied at the request of a county

community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon such tax by the voters of that county, which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (5) of this section.

(3) The state local finance officer shall certify to each county judge/executive, ***within fifteen (15) days of receipt of the certified real and personal property assessment and new property determined under KRS 132.010 received from the Revenue Cabinet***~~[by June 30 of each year]~~, the following:

(a) The compensating tax rate, as defined in KRS 132.010, and the amount of revenue expected to be produced by it;

(b) The tax rate which will produce no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 and the amount of revenue expected to be produced by it.

(4) Real and personal property assessment and new property determined in accordance with KRS 132.010 shall be certified to the state local finance officer by the Revenue Cabinet upon completion of action on property assessment data.

(5) (a) A county fiscal court, proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon the tax by the voters of that county, which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.

(b) County fiscal courts of counties containing a city of the first class proposing to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon the tax by the voters of that county, which exceeds the compensating tax rate defined in KRS 132.010, shall hold three (3) public hearings to hear comments from the public regarding the proposed tax rate. The hearings shall be held in three (3) separate locations; each location shall be determined by dividing the county into three (3) approximately equal geographic areas, and identifying a suitable facility as near as possible to the geographic center of each area.

(c) The county fiscal court shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;
2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
3. The compensating tax rate and the revenue expected from it;
4. The revenue expected from new property and personal property;
5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
6. A time and place for the public hearings which shall be held not less than seven (7) days nor more than ten (10) days, after the day that the second advertisement is published;
7. The purpose of the hearing; and
8. A statement to the effect that the General Assembly has required publication of the advertisement and the information contained therein.

(d) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.

(e) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The county fiscal court may set reasonable time limits for testimony.

(6) (a) That portion of a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon a tax by the voters of that county, levied by an action of a county fiscal court which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 shall be subject to a recall vote or reconsideration by the taxing district, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

(b) The county fiscal court shall, within seven (7) days following adoption of an ordinance to levy a tax rate, excluding any special tax rate which may be levied at the request of a county community improvement district pursuant to KRS 107.350 and 107.360, following a favorable vote upon a tax by the voters of that county, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the county fiscal court has adopted a rate;
2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 is subject to recall; and
3. The name, address, and telephone number of the county clerk, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 4. KRS 81.060 is amended to read as follows:

(1) At the hearing the court shall, if the proper notice has been given or publication made, and no defense is interposed, enter a judgment establishing a city as requested by the petition, filed pursuant to KRS 81.050, if the court finds as a matter of law that the following standards have been met:

(a) At least three hundred (300) persons reside in the territory sought to be incorporated;

(b) Incorporation constitutes a reasonable way of providing the public services sought by the voters or property owners of the territory, and there is no other reasonable way of providing the services;

(c) The territory is contiguous;

(d) The territory is able to provide necessary city services to its residents within a reasonable period after its incorporation; and

(e) The interest of other areas and adjacent local governments is not unreasonably prejudiced by the incorporation.

(2) In determining whether the standards for incorporation have been met, the court shall consider, but shall not be limited to the consideration of the following criteria:

(a) Whether the character of the territory is urban or rural;

(b) The ability of any existing city, county or district to provide needed services;

(c) Whether the territory and any existing city are interdependent or part of one (1) community;

(d) The need for city services in the territory;

(e) The development scheme of applicable land-use plans;

(f) The area and topography of the territory; and

(g) The effect of the proposed incorporation on the population growth and assessed valuation of the real property in the territory.

(3) Defense may be made to the petition by any inhabitant of the proposed city, and if defense is made, the court shall hear and determine the same, and render a judgment establishing or refusing to establish a city, as may seem proper.

(4) If the court renders judgment granting the petition, the order shall set out the name of the city, ***the organizational structure of the municipal government,*** a metes and bounds description of its boundaries, the population contained therein and the class to which the city shall be assigned by reason of its population. The order shall appoint the officers appropriate to the class of the new city, who shall hold their respective offices until the next regular election at which city officers are elected, at which time officers shall be elected by the residents of the new city.

(5) Whenever any city shall be established in the manner above provided, the court shall in the judgment direct the clerk of the court wherein such judgment is entered to, not later than ten (10) days thereafter, certify a copy thereof to the ***Department for Local Government and the*** Secretary of State, whose duty it shall be to properly index and file the same as a permanent record in his office.

Section 5. KRS 83A.060 is amended to read as follows:

(1) Each ordinance shall embrace only one (1) subject and shall have a title that shall clearly state the subject.

(2) Each ordinance shall be introduced in writing and shall have an enacting clause styled "Be it ordained by the City of ...."

(3) No ordinance shall be amended by reference to its title only, and ordinances to amend shall set out in full the amended ordinance or section indicating any words being added by a single solid line drawn underneath them, and any words being deleted by a single broken line drawn through them.

(4) Except as provided in subsection (7) of this section, no ordinance shall be enacted until it has been read on two (2) separate days. The reading of an ordinance may be satisfied by stating the title and reading a summary rather than the full text.

(5) A city legislative body may adopt the provisions of any local, statewide, or nationally recognized standard code and codifications of entire bodies of local legislation by an ordinance that identifies the subject matter by title, source, and date and incorporates the adopted provisions by reference without setting them out in full, if a copy accompanies the adopting ordinance and is made a part of the permanent records of the city.

(6) Unless otherwise provided by statute, a majority of a legislative body shall constitute a quorum and a vote of a majority of a quorum shall be sufficient to take action.

(7) In an emergency, upon the affirmative vote of two-thirds (2/3) of the membership, a city legislative body may suspend the requirements of second reading and publication to provide for an ordinance to become effective by naming and describing the emergency in the ordinance. Publication requirements of subsection (9) of this section shall be complied with within ten (10) days of the enactment of the emergency ordinance.

(8) Every action of the city legislative body shall be made a part of the permanent records of the city and on passage of an ordinance the vote of each member of the city legislative body shall be entered on the official record of the meeting. The legislative body shall provide by ordinance for the maintenance and safekeeping of the permanent records of the city. The person assigned this responsibility and the presiding officer shall sign the official record of each meeting. All ordinances adopted in a city shall, at the end of each month, be indexed and maintained in the following manner:

- (a) The city budget, appropriations of money, and tax levies shall be maintained and indexed so that each fiscal year is kept separate from other years.
- (b) All other city ordinances shall be kept in the minute book or an ordinance book in the order adopted and indexed in a composite index or maintained in a code of ordinances.

(9) Except in cities of the first class, a charter county government, and as provided in subsection (7) of this section, no ordinance shall be effective until published pursuant to KRS Chapter 424. Ordinances may be published in full or in summary as designated by the legislative body. If the legislative body elects to publish an ordinance in summary, the summary shall be prepared ***under the supervision of***[~~and certified by~~] an attorney licensed to practice law in the Commonwealth of Kentucky and shall include the following:

- (a) The title of the ordinance;
- (b) A brief narrative setting forth the main points of the ordinance in a way reasonably calculated to inform the public in a clear and understandable manner of the meaning of the ordinance; and
- (c) The full text of each section that imposes fines, penalties, forfeitures, taxes, or fees.

Ordinances that include descriptions of real property may include a sketch, drawing, or map, including common landmarks, such as streets or roads in lieu of metes and bounds descriptions.

(10) A city may specify by ordinance additional requirements for adoption of ordinances in greater detail than contained herein, but a city shall not lessen or reduce the substantial requirements of this section or any other statute relating to adoption of ordinances.

(11) At least once every five (5) years, each city shall cause all ordinances in the composite index or code of ordinances to be examined for consistency with state law and with one another and to be revised to eliminate redundant, obsolete, inconsistent, and invalid provisions.

(12) The legislative body may adopt municipal orders. Orders shall be in writing and may be adopted only at an official meeting. Orders may be amended by a subsequent municipal order or ordinance. All orders adopted shall be maintained in an official order book.

(13) In lieu of an ordinance, a municipal order may be used for matters relating to the internal operation and functions of the municipality and to appoint or remove or approve appointment or removal of members of boards, commissions, and other agencies over which the city has control.

(14) All ordinances, and orders of the city may be proved by the signature of the city clerk; and***,*** when the ordinances are placed in a printed composite index or code of ordinances by authority of the city, the printed copy shall be received in evidence by any state court without further proof of the ordinances.

(15) For anything said in debate, legislative body members shall be entitled to the same immunities and protections allowed to members of the General Assembly.

Section 6. KRS 147A.025 is amended to read as follows:

(1) [~~Except as provided in subsection (7) of this section,~~]The Department for Local Government with the advice and approval of the state local finance officer annually shall conduct a program to instruct county clerks, sheriffs, jailers, and county treasurers respecting their duties and responsibilities in the collection and expenditure of public moneys, subject to their control and jurisdiction.

(2) The department with the advice and approval of the state local finance officer shall establish the content and publish instructional materials essential to implementing this program. Subsequent to every regular and extraordinary session of the General Assembly, the department with the state local finance officer shall review and revise, if necessary, the program when it is found not to be consistent with state law.

(3) The department may assess a charge to any person requesting copies of instructional materials published as provided by this section to cover actual costs of printing and handling these materials, except that no county official shall be charged for instructional materials provided for his use. Funds accruing from the sale of instructional materials shall be paid into the State Treasury, and the State Treasurer shall pay these funds into an account of the department to defray the costs of printing and handling these materials.

(4) The commissioner of the department with the advice and approval of the state local finance officer may prescribe completion standards for this program, and may, subject to subsection (6) of this section, establish the number, type and sequence of instructional sessions to be conducted by the department; but the commissioner of the department shall not require the attendance of any county official, nor shall he prescribe any requirement or standard that restricts or impairs a county official or elected candidate in the lawful pursuit or conduct of the office to which he is elected.

(5) The department shall notify in advance each county clerk, sheriff, jailer, and county treasurer respecting instructional session pertinent to his office. Notification shall be by mail, and it shall be posted no later than twenty-one (21) days prior to the instructional session. At a minimum, the notice shall give the date, time, place and title of the instruction session.

(6) The department shall conduct this program by providing a one (1) day session at various locations throughout this state in order to minimize the travel expenses of those officials attending, provided that the aggregate number of all sessions shall not exceed five (5) during any calendar year.[~~ Except as provided in subsection (7) of this section,~~] The department may commence instruction anytime during a calendar year.

(7) [~~The department shall not conduct a program as provided by this section during any calendar year when a general election is held for every constitutional county office. The department, however, shall commence instruction for the succeeding year within eighty (80) days following said general election.~~

~~(8)~~] Every county official who attends an instructional session shall be paid his actual and necessary expenses in attending from the operating funds of his office.

(8)[~~(9)~~] In fulfilling the requirements of this section, the department shall confer with and coordinate its duties and responsibilities with the Finance and Administration Cabinet, the Revenue Cabinet and the Auditor of Public Accounts. The department shall also confer with those state universities whose mission statements mandate their participation in the training of public officials, the state associations for those officials listed in subsection (1) of this section, and the Kentucky Association of Counties, respecting the implementation of this section.

Section 7. The following KRS sections are repealed:

65.323 Duties of council.
65.327 Use of existing training providers.
65.330 Members not to be compensated.
65.333 Meetings.
65.337 Quorum -- Vote requirement.

The Committee on Elections, Constitutional Amendments and Intergovernmental Affairs reported **HB 22,** with Committee Amendment attached thereto, **HB 378, HB 559,** and **HCR 43** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 22, AN ACT relating to the runoff primary.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 118.245 is amended to read as follows:

(1) The candidate for office[~~, other than the offices of Governor and Lieutenant Governor,~~] receiving the highest number of votes in a primary election for the office for which he is a candidate shall be the nominee of his party for that office and shall receive the certificate of nomination. [

~~(2) A slate of candidates for Governor and Lieutenant Governor that receives not less than forty percent (40%) of its party's votes cast shall be the nominee of its party for those offices and that slate of candidates shall receive the certificate of nomination; except that if two (2) slates of candidates receive forty percent (40%) or more of their party's votes, the slate receiving the higher number of votes shall be its party's nominee, and no runoff primary shall be conducted.~~

~~(3) A slate of candidates for Governor and Lieutenant Governor that receives the highest number of its party's votes but which number is less than forty percent (40%) of the votes cast for all slates of candidates of that party, shall be required to participate in a runoff primary with the slate of candidates of the same party receiving the second highest number of votes.~~

~~(4)~~]The slate of candidates receiving the highest number of votes in a[~~ runoff~~] primary shall be the nominees of that party for Governor and Lieutenant Governor, and that slate of candidates shall receive the certificate of nomination.

(2) [~~(5) Subject to the foregoing provisions relating to a runoff primary, if two (2) or more slates of candidates in a primary election are found to have received the next highest and equal number of votes for the nomination for election to the offices of Governor and Lieutenant Governor, the slate which will appear on the ballot in a runoff primary shall be determined by lot in the manner the state board directs, in the presence of not less than three (3) other persons.~~

~~(6) Subject to the foregoing provisions relating to a runoff primary,~~]If two (2) or more candidates or slates of candidates in a[~~ runoff primary or~~] primary election are found to have received the highest and an equal number of votes for nomination to the same office, the election shall be determined by lot in the manner the board directs, in the presence of not less than three (3) other persons. This section does not apply to presidential primaries.

Section 2. KRS 116.055 is amended to read as follows:

Before a person shall be qualified to vote in a primary election, he shall possess all the qualifications required of voters in a regular election. In addition, he shall be a registered member of the party in whose primary election he seeks to vote, and shall have been registered as a member of that party on December 31 immediately preceding the primary election, or, in the case of new registrations made after December 31 immediately preceding the primary election, he shall have registered and remained registered as a member of that party. No person shall be allowed to vote for any party candidates or slates of candidates other than that of the party of which he is a registered member. The qualifications shall be determined as of the date of the primary, without regard to the qualifications or disqualifications as they may exist at the succeeding regular election, except that minors seventeen (17) years of age who will become eighteen (18) years of age on or before the day of the regular election shall be entitled to vote in the primary if otherwise qualified. However, any registered voter, whether registered as a member of a party or as an independent, shall be qualified to vote in primary elections for candidates listed in all nonpartisan races.~~[Any voter eligible to vote in a primary election shall also be eligible to vote in a subsequent runoff primary if one shall be necessary.]~~

Section 3. KRS 117.085 is amended to read as follows:

(1) All requests for an application for an absentee ballot may be transmitted by telephone, facsimile machine, by mail, or in person. Except as provided in paragraph (b) of this subsection, all applications for an absentee ballot shall be transmitted only by mail or in person at the option of the voter, except that the county clerk shall hand an application for an absentee ballot to a voter permitted to vote by absentee ballot who appears in person to request the application, or shall mail the application to a voter permitted to vote by absentee ballot who requests the application by telephone, facsimile machine, or mail. The absentee ballot application shall be restricted to the use of the voter or the spouse, parents, or children of the voter. Except for qualified voters who apply pursuant to the requirements of KRS 117.075 and 117.077, and those who are incarcerated in jail but have yet to be convicted and persons who qualify under subparagraph 5. of paragraph (a) of this subsection, no absentee ballots shall be mailed to a voter who resides within the county in which he is registered. In the case of ballots returned by mail, the county clerk shall provide an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting to a voter who presents a completed application for an absentee ballot as provided in this section and who is properly registered as stated in his application.

(a) The following voters may apply to cast their votes by absentee ballot at any time not later than the close of business hours seven (7) days before the election:

1. Voters permitted to vote by absentee ballot pursuant to KRS 117.075;
2. Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and citizens residing overseas;
3. Students who temporarily reside outside the county of their residence and other voters who temporarily reside outside the state but who are still eligible to vote in this state;
4. Persons who are incarcerated in jail who have been charged with a crime but have not been convicted of the crime; and
5. Persons who are prevented from voting in person at the polls on election day and from casting an absentee ballot in person in the county clerk's office on all days absentee voting is conducted prior to election day because their employment location requires them to be absent from the county all hours and all days absentee voting is conducted in the county clerk's office.

(b) Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and overseas citizens, may apply for an absentee ballot by means of the federal post-card application, which may be transmitted to the county clerk's office by mail or by facsimile machine. The application may be used to register, reregister, and to apply for an absentee ballot. If the federal post-card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to the application form upon receipt.

(c) Any other qualified voter in the county who is not permitted to vote by absentee ballot under paragraph (a) of subsection (1) of this section who shall be absent from the county on any election day may, at any time during normal business hours on at least any of the twelve (12) working days before the election, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election prescribed above.

(d) Any member of the county board of elections, any precinct election officer appointed to serve in a precinct other than that in which he is registered, and any alternate precinct election officer may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. The application form for those persons shall be prescribed by the State Board of Elections and, in the case of application by precinct election officers, shall contain a verification of appointment signed by a member of the county board of elections. If an alternate precinct election officer or a precinct election officer appointed to serve in a precinct other than that in which he is registered receives his appointment while absentee voting is being conducted in the county, such officer may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. In case of such voters, the verification of appointment shall also contain the date of appointment. The applications shall be restricted to the use of the voter only.

(e) Any pregnant woman who is in her last trimester of pregnancy at the time she wishes to vote under this paragraph may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections. She may vote at any time during business hours on at least any of the twelve (12) working days before the election up to the close of business hours on the day before the election. The application form for those persons shall be prescribed by the State Board of Elections, which shall contain the woman's sworn statement that she is in fact in her last trimester of pregnancy at the time she wishes to vote, and shall be made in person to the county clerk, at any time during any of the twelve (12) working days before the election. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election as prescribed above.

(f) The members of the county board of elections or their designees who provide equal representation of both political parties may serve as precinct election officers, without compensation, for all absentee voting performed on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. If the members of the county board of elections or their designees serve as precinct election officers for the absentee voting, they shall perform the same duties and exercise the same authority as precinct election officers who serve on the day of an election. If the members of the county board of elections or their designees do not serve as precinct election officers for the absentee voting, the county clerk or deputy county clerks shall supervise the absentee voting.

(g) Any individual qualified to appoint challengers for the day of an election may also appoint challengers to observe all absentee voting performed at the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, and those challengers may exercise the same privileges as challengers appointed for observing voting on the day of an election at a regular polling place.

(2) The clerk shall type the name of the voter permitted to vote by absentee ballot on the application form for that person's use and no other. The absentee ballot application form shall be in the form prescribed by the State Board of Elections, shall bear the seal of the county clerk, and shall contain the following information: name, residential address, precinct, party affiliation, statement of the reason the person cannot vote in person on election day, statement of where the voter shall be on election day, statement of compliance with residency requirements for voting in the precinct, and the voter's mailing address for an absentee ballot. The form shall be verified and signed by the voter. A notice of the actual penalty provisions in KRS 117.995(2) and (5) shall be printed on the application.

(3) If the county clerk finds that the voter is properly registered as stated in his application and qualifies to receive an absentee ballot by mail, he shall mail to the voter an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting. The county clerk shall complete a postal form for a certificate of mailing for ballots mailed within the fifty (50) states, and it shall be stamped by the postal service when the ballots are mailed. An absentee ballot may be transmitted by facsimile machine to a resident of Kentucky who is a member of the Armed Forces, a dependent of a member of the Armed Forces, or a citizen residing overseas.

(4) Absentee ballots which are requested prior to the printing of the ballots shall be mailed by the county clerk to the voter within three (3) days of the receipt of the printed ballots; and absentee ballots which are requested subsequent to the receipt of the ballots by the county clerk shall be mailed to the voter within three (3) days of the receipt of the request.

(5) The clerk shall cause ballots to be printed fifty (50) days prior to each primary or general election[~~ and fifteen (15) days prior to each runoff primary~~].

(6) The outer envelope shall bear the words "Absentee Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address, and precinct number. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number, and notice of penalty provided in KRS 117.995(5). The clerk shall type the voter's address and precinct number in the upper left hand corner of the outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application and the postal form required by subsection (3) of this section for twenty-two (22) months after the election.

(7) Any person who has received an absentee ballot by mail but who knows at least seven (7) days before the date of the election that he will be in the county on election day and who has not voted pursuant to the provisions of KRS 117.086 shall cancel his absentee ballot and vote in person. He shall return his absentee ballot to the county clerk's office no later than seven (7) days prior to the date of the election. Upon the return of the absentee ballot, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Canceled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent absentee ballots, and the voter may vote in the precinct in which he is properly registered.

Section 4. KRS 117.275 is amended to read as follows:

(1) At the count of the votes in any precinct, any candidate or slate of candidates and any representatives to witness and check the count of the votes therein, who are authorized to be appointed as is provided in subsection (7) of this section, shall be

admitted and be permitted to be present and witness the count.

(2) As soon as the polls are closed, and the last voter has voted, the judges shall immediately lock and seal the operating lever, mechanism or other device of the voting equipment so that the voting and counting mechanism will be prevented from operation, and they shall sign a certificate stating:

(a) That the voting equipment has been locked against voting and sealed;

(b) The number of voters, as shown on the public counters;

(c) The number registered on the protective or accumulative counter or device, if any; and

(d) The number or other designation of the voting equipment, which certificate shall be returned by the judges of election to the officials authorized by law to receive it. The judges shall compare the number of voters, as shown by the counter of the voting equipment, with the number of those who have voted as shown by the protective or accumulative counter or device, if any.

(3) Where voting equipment is used which does not print the candidates' names, lever numbers, and total votes received on a general return sheet or record for that equipment, the procedure to be followed shall be: the judges, in the presence of the representatives mentioned in subsection (1) of this section, if any, and of all other persons who may be lawfully within the polling place, shall make visible the registering counters, and, for that purpose, shall unlock and open the doors, or other covering concealing the counters, giving full view of all the counter numbers. The judges shall, under the scrutiny of the representatives, and in the order of the offices as their titles are arranged on the machine, read and announce, in distinct tones, the results as shown by the counter numbers for each candidate or slate of candidates and for and against each question voted on. The counters shall not be read consecutively along the party rows or columns, but shall always be read along the office columns or rows, completing the canvass for each office or question before proceeding to the next. The vote as registered shall be entered by the judges, in ink, on quadruplicate return sheets, and also on a general return sheet and statement, all of which, after the canvass is completed, shall be signed by the election officers. The total votes cast for each candidate, and slate of candidates, and for and against each question, shall be entered on the general and quadruplicate return sheets and statement. The proclamation of the result of the votes cast shall be announced distinctly and audibly by one (1) of the judges, who shall read the name and the vote cast for each candidate, and slate of candidates, and the vote for and against each question submitted. During the proclamation, ample opportunity shall be given to any person lawfully present to compare the results so announced with the counter dials of the voting equipment, and any necessary corrections shall be made by the judges, and the door or other cover of the voting equipment shall then be closed and locked.

(4) If any officer shall decline to sign the return, he shall state his reason in writing, and a copy thereof, signed by him, shall be enclosed with the return. Each of the return sheets shall be enclosed in an envelope, which shall be securely sealed, and each of the officers shall write his name across the fold of the envelope. One (1) of the quadruplicate return sheets, along with the general return sheet and the write-in roll, if any write-in votes were cast in the precinct, shall be directed to the county board of elections of the county in which the election is being held, one (1) to the county clerk of the county in which the election is being held and one (1) to the local governing body of each of the two (2) dominant political parties, but a local governing body of a dominant political party may decline a copy of the precinct election return by filing a written declination with the county board of elections prior to the election, and upon this declination, a printed copy shall not be issued to the political party so declining. The declination on file shall be effective for that election and any subsequent elections until revoked by the local governing body of a dominant political party by filing a written revocation with the county board of elections. The envelope shall have endorsed thereon a certificate of the election officers, stating the number of the machine, the precinct where it has been used, the number on the seal, and the number on the protective or accumulative counter or device at the close of the polls. Following the tabulation of all votes cast in the election, including absentee votes and write-in votes, the county board shall mail the tabulation sheets showing the results from each precinct to the State Board of Elections and the county clerk shall mail or deliver the precinct lists from each precinct to the State Board of Elections.

(5)[~~In primary elections at which each party's slates of candidates seeking the nomination of their parties for Governor and Lieutenant Governor are voted on, the Secretary of State, upon receiving the certified results of voting from each county's precincts for those offices, shall determine whether a runoff primary shall be necessary for either or both parties pursuant to KRS 118.245. The Secretary of State shall, within twenty-four (24) hours of making his determination, inform the affected slates of candidates, the county clerks, the county boards of elections, the State Board of Elections, the Registry of Election Finance, and the news media of his determination, and the date of the runoff primary, which shall be subject to change if an election contest or vote recount shall be requested.~~

~~(6)~~] As soon as possible after the completion of the count, the two (2) judges shall return to the county board of elections the keys to the voting machine received and receipted for by them, and the county clerk in which the precinct is located shall have the voting machine properly boxed or securely covered and removed to a proper and secure place of storage.

(6)[~~(7)~~] In primary elections, each candidate, slate of candidates, or group of candidates may designate to the county board of elections a representative to witness and check the vote count. In regular elections, the governing authority of each political party, each candidate for member of board of education, independent candidate, or independent ticket may designate a representative to the county board of elections to witness and check the vote count. The county board of

elections shall authorize representatives of the news media to observe the taking of the tally of votes from the voting machine in each precinct in each primary, regular or special election.

(7)[~~(8)~~] If supplemental paper ballots have been approved, as provided in KRS 118.215, after the polls are closed, the precinct election officials shall stamp "Unused" on all supplemental paper ballots not used. The election officers shall string all used ballots' stubs upon a string provided for that purpose, and the stubs shall be placed in an envelope. The two (2) judges shall return to the county clerk's office the locked ballot box, all ballot stubs, spoiled ballots, and unused ballots at the same time as the tabulation of votes from the voting machine is delivered. The county clerk shall issue a receipt for the number of ballot stubs, unused ballots, spoiled ballots and the ballot box. The county board of elections, or its designee, shall count and tally the paper ballots manually or with the use of tabulating equipment which does not involve an additional voting system. The results of the vote tally shall be certified by the county board of elections to the county clerk and to the Secretary of State. The county board of elections shall authorize the candidates, slates of candidates, or their representatives, and representatives of the news media to be present during the counting of the paper ballots. Except as otherwise required in this chapter that certain records and papers relating to specified elections be retained for twenty-two (22) months, the county clerk shall retain the paper ballots for sixty (60) days, after which time they shall be destroyed in a manner to render them unreadable by the county board of elections if no contest or recount action has been filed.

Section 5. KRS 117.295 is amended to read as follows:

(1) For a period of ten (10) days following any primary election, and for a period of thirty (30) days following any general or special election, the voting machine shall remain locked against voting, except that it may be opened and all the data and figures therein examined, upon the order of any court of competent jurisdiction, or judge thereof, or by direction of any legislative committee authorized and empowered to investigate and report upon contested elections affected by the use of a voting machine, and all the data and figures shall be examined by the court, judge or committee in the presence of the officer having the custody of the machine. In the event of a contest of election, the court in which the contest is pending or the committee before which the contest is being heard may, upon motion of any party to the contest, issue an order requiring that the voting machines shall remain continuously locked for further time as may be reasonable or necessary, with due regard for the preparation of the machines for a succeeding primary,[~~ runoff primary,~~] regular, or special election, but in no event shall the order compel that the machines remain locked to a time within thirty (30) days next preceding any approaching primary,[~~ runoff primary,~~] regular, or special election.

(2) During the period when the machine is required to be kept locked, the keys thereto shall remain in the possession of the county board of elections. After that period, it shall be the duty of the county board of elections to return the keys to the custody of the county clerk.

Section 6. KRS 118.025 is amended to read as follows:

(1) Except as otherwise provided by law, voting in all elections shall be by secret ballot on voting machines.

(2) The general laws applying to regular, special, ***and*** primary[~~, and runoff primary~~] elections shall apply to elections conducted with the use of voting machines, and all provisions of the general laws applying to the custody of ballot boxes shall apply, as far as applicable, to the custody of the voting machine.

(3) Primary elections for the nomination of candidates or slates of candidates to be voted for at the next regular election shall be held on the first Tuesday after the fourth Monday in May of each year.

(4) [~~A runoff primary shall be held thirty-five (35) days after the date of the May primary, if it shall be necessary, pursuant to KRS 118.245, unless that date falls on a holiday; in that case, a runoff primary shall be held on the succeeding Tuesday. However, if either a primary election is contested or a recount of the votes cast in a primary is requested, a runoff primary shall be held on the first Tuesday following the thirty fifth day following the conclusion of any contest proceeding or recount, if it shall be necessary, unless that date falls on a holiday; in that case, a runoff primary shall be held on the succeeding Tuesday.~~]The election of all officers of all governmental units shall be held on the first Tuesday after the first Monday in November.

(5) If the law authorizes the calling of a special election on a day other than the day of the regular election in November, the election shall be held on a Tuesday.

(6) If the law requires that a special election be held within a period of time during which the voting machines must be locked as required by KRS 117.295, the special election shall be held on the fourth Tuesday following the expiration of the period during which the voting machines are locked.

Section 7. KRS 118.035 is amended to read as follows:

(1) The polls shall be opened on the day of a primary,[~~ runoff primary,~~] special election, or regular election at 6 a.m., prevailing time, and shall remain open until each voter who is waiting in line at the polls at 6 p.m., prevailing time, has voted. At 6 p.m., prevailing time, if voters are waiting at the polls to vote, the precinct election sheriff shall announce that a voter wishing to vote must immediately get in line. When all voters waiting at the polls at that time are in line, the precinct election sheriff shall then determine which voter is the last in line, and that voter shall be the last voter permitted to vote. The precinct election sheriff shall wait in line with the last voter who shall be permitted to vote until that voter has voted and shall inform a voter who subsequently arrives at the polls that no one shall be permitted to vote after the last voter in line at 6 p.m., prevailing time. After the last voter waiting in line at 6 p.m., prevailing time, has voted, the polls

shall then be closed.

(2) As provided in Section 148 of the Constitution of Kentucky, any person entitled to a vote at any election in this state shall, if he has made application for leave prior to the day he appears before the county clerk to request an application for or to execute an absentee ballot, be entitled to absent himself from any services or employment in which he is then engaged or employed for a reasonable time, but not less than four (4) hours on the day he appears before the clerk to request an application for or to execute an absentee ballot, during normal business hours of the office of the clerk or to cast his ballot on the day of the election between the time of opening and closing the polls. The employer may specify the hours during which an employee may absent himself.

(3) No person shall be penalized for taking a reasonable time off to vote, unless, under circumstances which did not prohibit him from voting, he fails to vote. Any qualified voter who exercises his right to voting leave under this section but fails to cast his vote, under circumstances which did not prohibit him from voting, may be subject to disciplinary action.

(4) Any person selected to serve as an election officer shall be entitled to absent himself from any services or employment in which he is then engaged or employed for a period of an entire day to attend training or to serve as an election officer. The person shall not, because of so absenting himself, be liable to any penalty. The employer may specify the hours during which the employee may absent himself. No person shall refuse an employee the privilege hereby conferred, or discharge or threaten to discharge an employee or subject an employee to a penalty, because of the exercise of the privilege.

Section 8. KRS 118.215 is amended to read as follows:

(1) After the order of the names has been determined as provided in KRS 118.225, the Secretary of State shall certify, to the county clerks of the respective counties entitled to participate in the nomination or election of the respective candidates, the name, place of residence, and party of each candidate or slate of candidates for each office, as specified in the nomination papers or certificates and petitions of nomination filed with him, and shall designate the device with which the candidate groups, slates of candidates, or lists of candidates of each party shall be printed, in the order in which they are to appear on the ballot, with precedence to be given to the party that polled the highest number of votes at the preceding election for presidential electors, followed by the political party which received the second highest number of votes, with the order of any other political parties and independents to be determined by lot. Candidates for county offices and local state offices shall be listed in the following order: Commonwealth's attorney, circuit clerk, property valuation administrator, county judge/executive, county attorney, county clerk, sheriff, jailer, county commissioner, coroner, justice of the peace, and constable. The names of candidates for President and Vice President shall be certified in lieu of certifying the names of the candidates for presidential electors. The names shall be certified as follows:

(a) Not later than the second Monday after the filing deadline for the primary;

(b)[~~Not less than twenty-five (25) days before a runoff primary;~~

~~(c)~~] Not later than the second Monday after the filing deadline for the general election, except as provided in paragraph c[~~(d)~~] of this subsection; and

(c)[~~(d)~~]Not later than the Thursday after the first Tuesday in September preceding a general election, for those years in which there is an election for President and Vice President of the United States.

(2) Except as otherwise provided in subsection (3) of this section, all independent candidates or slates of candidates whose nominating petitions are filed with the county clerk or the Secretary of State shall be listed under the title and device designated by them as provided in KRS 118.315, or if none is designated, under the word "independent," and shall be placed on the ballot in a separate column or columns or in a separate line or lines according to the office which they seek. The order in which independent candidates or slates of candidates shall appear on the ballot shall be determined by lot by the county clerk. If the same device is selected by two (2) groups of petitioners, it shall be given to the first selecting it and the county clerk shall permit the other group to select a suitable device. This section shall not apply to candidates for municipal offices which come under subsection (3) of this section.

(3) The ballots used at any election in which city officers are to be elected as provided in subsection (2) of this section shall contain the names of candidates for the city offices grouped according to the offices they seek, and the candidates shall be immediately arranged with and designated by the title of office they seek. The order in which the names of the candidates for each office are to be printed on the ballot shall be determined by lot. Each group of candidates for each separate office for which the candidates are to be elected shall be clearly separated from other groups on the ballot and spaced to avoid confusion on the part of the voter.

(4) The Secretary of State shall not knowingly certify to the county clerk of any county the name of any candidate or slate of candidates who has not filed the required nomination papers, nor knowingly fail to certify the name of any candidate or slate of candidates who has filed the required nomination papers.

(5) If the county clerk determines that the number of certified candidates or slates of candidates cannot be placed on a ballot which can be accommodated by the voting machines currently in use by the county, he shall so notify the State Board of Elections not later than the last Tuesday in February preceding the primary or the last Tuesday in August preceding the general election. The State Board of Elections shall meet within five (5) days of the notice, review the ballot conditions, and determine whether supplemental paper ballots are necessary for the election. Upon approval of the State Board of Elections, supplemental paper ballots may be used for nonpartisan candidates or slates of candidates for an office or offices

and public questions submitted for a yes or no vote. All candidates or slates of candidates for any particular office shall be placed either on the machine ballot or on the paper ballot.

(6) The ballot position of a candidate or slate of candidates shall not be changed after the ballot position has been designated by the county clerk.

Section 9. KRS 118.225 is amended to read as follows:

(1) For the purpose of determining the order in which the names of candidates or slates of candidates to be voted for by the electors of the entire state shall be certified and printed on the ballots with the designation of the respective offices, the Secretary of State shall prepare lists of the counties of each congressional district of the state. He shall arrange the surnames of all candidates or slates of candidates for each office in alphabetical order for the First Congressional District, and the names shall be certified in this order to the county clerks of all the counties comprising that district. For each succeeding congressional district, taken in numerical order, the name appearing first for each office in the last preceding district shall be placed last, and the name appearing second in the last preceding district shall be placed first, and each other name shall be moved up one (1) place. The lists shall be certified accordingly.

(2) For all other offices for which nomination papers and petitions are filed with the Secretary of State, the order of names of candidates for each office shall be determined by lot at a public drawing to be held in the office of the Secretary of State at 2 p.m., standard time, on the Thursday following the last Tuesday in January preceding the primary~~[, twenty six (26) days before a runoff primary,]~~ or the Thursday following the second Tuesday in August preceding the general election.

(3) For all offices for which nomination papers and petitions are filed in the office of the county clerk, the order in which the names of candidates for each office are to be printed on the ballot shall be determined by lot at a public drawing in the office of the county clerk at 2 p.m., standard time, on the Thursday following the last Tuesday in January before the primary or the Thursday following the second Tuesday in August preceding the general election.

(4) If the number of certified candidates or slates of candidates cannot be placed on a ballot which can be accommodated on voting machines currently in use in the county, the county clerk shall notify the State Board of Elections, as provided in KRS 118.215.

Section 10. KRS 121.015 is amended to read as follows:

As used in this chapter:

(1) "Registry" means the Kentucky Registry of Election Finance;

(2) "Election" means any primary,~~[runoff primary,]~~ regular, or special election to fill vacancies regardless of whether a candidate or slate of candidates is opposed or unopposed in an election. Each primary,~~[runoff primary,]~~ regular, or special election shall be considered a separate election;

(3) "Committee" includes the following:

  (a) "Campaign committee," which means one (1) or more persons who receive contributions and make expenditures to support or oppose one (1) or more specific candidates or slates of candidates for nomination or election to any state, county, city, or district office, but does not include an entity established solely by a candidate which is managed solely by a candidate and a campaign treasurer and whose name is generic in nature, such as "Friends of (the candidate)," and does not reflect that other persons have structured themselves as a committee, designated officers of the committee, and assigned responsibilities and duties to each officer with the purpose of managing a campaign to support or oppose a candidate in an election;

  (b) "Political issues committee," which means three (3) or more persons joining together to advocate or oppose a constitutional amendment or public question which appears on the ballot if that committee receives or expends money in excess of one thousand dollars ($1,000);

  (c) "Permanent committee," which means a group of individuals, including an association, committee or organization, other than a campaign committee, political issues committee, inaugural committee, or party executive committee, which is established as, or intended to be, a permanent organization having as a primary purpose expressly advocating the election or defeat of one (1) or more clearly identified candidates, slates of candidates, or political parties, which functions on a regular basis throughout the year;

  (d) An executive committee of a political party; and

  (e) "Inaugural committee," which means one (1) or more persons who receive contributions and make expenditures in support of inauguration activities for any candidate or slate of candidates elected to any state, county, city, or district office;

(4) "Contributing organization" means a group which merely contributes to candidates, campaign committees, or executive committees from time to time from funds derived solely from within the group, and which does not solicit or receive funds from sources outside the group itself. However, any contributions made by the groups in excess of one hundred dollars ($100) shall be reported to the registry;

(5) "Testimonial affair" means an affair held in honor of a person who holds or who is or was a candidate for nomination or election to a political office in this state designed to raise funds for any purpose not charitable, religious, or educational;

(6) "Contribution" means any:

(a) Payment, distribution, loan, deposit, or gift of money or other thing of value, to a candidate, his agent, a slate of candidates, its authorized agent, a committee, or contributing organization. As used in this subsection, "loan" shall include a guarantee, endorsement, or other form of security where the risk of nonpayment rests with the surety, guarantor, or endorser, as well as with a committee, contributing organization, candidate, slate of candidates, or other primary obligor. No person shall become liable as surety, endorser, or guarantor for any sum in any one (1) election which, when combined with all other contributions the individual makes to a candidate, his agent, a slate of candidates, its agent, a committee, or a contributing organization, exceeds the contribution limits provided in KRS 121A.050 or KRS 121.150;

(b) Payment by any person other than the candidate, his authorized treasurer, a slate of candidates, its authorized treasurer, a committee, or a contributing organization, of compensation for the personal services of another person which are rendered to a candidate, slate of candidates, committee, or contributing organization, or for inauguration activities;

(c) Goods, advertising, or services with a value of more than one hundred dollars ($100) in the aggregate in any one (1) election which are furnished to a candidate, slate of candidates, committee, or contributing organization or for inauguration activities without charge, or at a rate which is less than the rate normally charged for the goods or services; or

(d) Payment by any person other than a candidate, his authorized treasurer, a slate of candidates, its authorized treasurer, a committee, or contributing organization for any goods or services with a value of more than one hundred dollars ($100) in the aggregate in any one (1) election which are utilized by a candidate, slate of candidates, committee, or contributing organization, or for inauguration activities;

(7) Notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include:

(a) Services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, committee, or contributing organization;

(b) A loan of money by any financial institution doing business in Kentucky made in accordance with applicable banking laws and regulations and in the ordinary course of business; or

(c) An independent expenditure by any individual or permanent committee;

(8) "Candidate" means any person who has received contributions or made expenditures, has appointed a campaign treasurer, or has given his consent for any other person to receive contributions or make expenditures with a view to bringing about his nomination or election to public office, except federal office;

(9) "Slate of candidates" means any two (2) persons who have filed a joint notification and declaration pursuant to KRS 118.127, received contributions or made expenditures, appointed a campaign treasurer, designated a campaign depository, or given their consent for any other person to receive contributions or make expenditures with a view to bringing about their nomination for election to the offices of Governor and Lieutenant Governor. Unless the context requires otherwise, any provision of law that applies to a candidate shall also apply to a slate of candidates;

(10) "Knowingly" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists;

(11) "Fundraiser" means an individual who directly solicits and secures contributions on behalf of a candidate or slate of candidates for a statewide-elected state office or an office in a jurisdiction with a population in excess of two hundred thousand (200,000) residents;

(12) "Independent expenditure" means the expenditure of money or other things of value for a communication which expressly advocates the election or defeat of a clearly identified candidate or slate of candidates, and which is made without any coordination, consultation, or cooperation with any candidate, slate of candidates, campaign committee, or any authorized person acting on behalf of any of them, and which is not made in concert with, or at the request or suggestion of any candidate, slate of candidates, campaign committee, or any authorized person acting on behalf of any of them;

(13) "Electronic reporting" means the use of technology, having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, by which an individual or other entity submits, compiles, or transmits campaign finance reports to the registry, or by which the registry receives, stores, analyzes, or discloses the reports;

(14) "Security procedure" means a procedure employed for the purpose of verifying that an electronic signature, record, or performance is that of a specific person or for detecting changes or errors in the information in an electronic record. The term includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, or callback or other acknowledgment procedures;

(15) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record;

(16) "Filer" means any candidate, committee, or other individual or entity required to submit financial disclosure reports to the registry; and

(17) "Filer-side software" means software provided to or used by the filer that enables transmittal of financial reports to the registry.

Section 11. KRS 121.150 is amended to read as follows:

(1) No contribution shall be made or received, directly or indirectly, other than an independent expenditure, to support inauguration activities or to support or defeat a candidate, slate of candidates, constitutional amendment, or public question which will appear on the ballot in an election, except through the duly appointed campaign manager, or campaign treasurer of the candidate, slate of candidates, or registered committee. Any person making an independent expenditure, shall report these expenditures when the expenditures by that person exceed five hundred dollars ($500) in the aggregate in any one (1) election, on a form provided or using a format approved by the registry and shall sign a statement on the form, under penalty of perjury, that the expenditure was an actual independent expenditure and that there was no prior communication with the campaign on whose behalf it was made.

(2) Except as provided in KRS 121.180(10), the solicitation from and contributions by campaign committees, political issues committees, permanent committees, and party executive committees to any religious, charitable, civic, eleemosynary, or other causes or organizations established primarily for the public good is expressly prohibited; except that it shall not be construed as a violation of this section for a candidate to contribute to religious, civic, or charitable groups.

(3) No candidate, slate of candidates, committee, or contributing organization, nor anyone acting on their behalf, shall accept any anonymous contribution in excess of fifty dollars ($50), and all anonymous contributions in excess of fifty dollars ($50) shall be returned to the donor, if the donor can be determined. If no donor is found, the contribution shall escheat to the state and be transferred to the election campaign fund established by KRS 121A.020. No candidate, slate of candidates, committee, or contributing organization, nor anyone acting on their behalf shall accept anonymous contributions in excess of one thousand dollars ($1,000) in the aggregate in any one (1) election. Anonymous contributions in excess of one thousand dollars ($1,000) in the aggregate which are received in any one (1) election shall escheat to the state and be transferred to the election campaign fund established by KRS 121A.020.

(4) No candidate, committee, or contributing organization, nor anyone on their behalf, shall accept a cash contribution in excess of fifty dollars ($50) in the aggregate from each contributor in any one (1) election. No candidate, committee, or contributing organization, nor anyone on their behalf, shall accept a cashier's check or money order in excess of the maximum cash contribution limit unless the instrument clearly identifies both the payor and the payee. A contribution made by cashier's check or money order which identifies both the payor and payee shall be treated as a contribution made by check for purposes of the contribution limits contained in this section. No person shall make a cash contribution in excess of fifty dollars ($50) in the aggregate in any one (1) election to a candidate, committee, or contributing organization, nor anyone on their behalf.

(5) No candidate, slate of candidates, committee, contributing organization, nor anyone on their behalf, shall accept any contribution in excess of one hundred dollars ($100) from any person who shall not become eighteen (18) years of age on or before the day of the next general election.

(6) No candidate, campaign committee, political issues committee, nor anyone acting on their behalf, shall accept a contribution of more than one thousand dollars ($1,000) from any person, permanent committee, or contributing organization in any one (1) election; except that no candidate for school board, his campaign committee, nor anyone acting on their behalf shall accept a contribution of more than one hundred dollars ($100) from any person or more than two hundred dollars ($200) from any permanent committee or contributing organization in any one (1) election. No person, permanent committee, or contributing organization shall contribute more than one thousand dollars ($1,000) to any one (1) candidate, campaign committee, political issues committee, nor anyone acting on their behalf, in any one (1) election; except that no person shall contribute more than one hundred dollars ($100) and no permanent committee or contributing organization shall contribute more than two hundred dollars ($200) to any one (1) school board candidate, his campaign committee, nor anyone acting on their behalf, in any one (1) election. Limits on contributions for slates of candidates for Governor and Lieutenant Governor which may be made or received in any one (1) election shall be governed by the provisions of KRS 121A.050.

(7) Permanent committees or contributing organizations affiliated by bylaw structure or by registration, as determined by the Registry of Election Finance, shall be considered as one (1) committee for purposes of applying the contribution limits of subsection (6) of this section.

(8) No permanent committee shall contribute funds to another permanent committee for the purpose of circumventing contribution limits of subsection (6) of this section.

(9) No person shall contribute funds to a permanent committee, political issues committee, or contributing organization for the purpose of circumventing the contribution limits of subsection (6) of this section.

(10) No person shall contribute more than one thousand five hundred dollars ($1,500) to all permanent committees and contributing organizations in any one (1) year.

(11) No person shall contribute more than two thousand five hundred dollars ($2,500) to the state executive committee of a political party and its subdivisions and affiliates in any one (1) year. Contributions a person makes to a political party in excess of one thousand dollars ($1,000) in any one (1) year shall be deposited in a separate account which the state executive committee maintains for the exclusive purpose of paying administrative costs incurred by the political party.

(12) No person shall make a payment, distribution, loan, advance, deposit, or gift of money to another person to contribute to a candidate, committee, contributing organization, or anyone on their behalf. No candidate, committee, contributing

organization, nor anyone on their behalf shall accept a contribution made by one (1) person who has received a payment, distribution, loan, advance, deposit, or gift of money from another person to contribute to a candidate, committee, contributing organization, or anyone on their behalf.

(13) No candidates running as a slate for the offices of Governor and Lieutenant Governor shall make combined total personal loans to their committee in excess of fifty thousand dollars ($50,000) in any one (1) election. No candidate for any other statewide elected state office shall lend to his committee any amount in excess of twenty-five thousand dollars ($25,000) in any one (1) election. In campaigning for all other offices, no candidate shall lend to his committee more than ten thousand dollars ($10,000) in any one (1) election.

(14) Subject to the provisions of subsection (20) of this section, no candidate or slate of candidates for nomination to any state, county, city, or district office, nor their campaign committees, nor anyone on their behalf, shall solicit or accept contributions for primary election expenses after the date of the primary. No person other than the candidate or slate of candidates shall contribute for primary election expenses after the date of the primary.

(15)[~~Subject to the provisions of subsection (20) of this section, no slate of candidates for nomination for election to the offices of Governor and Lieutenant Governor, nor its campaign committees, nor anyone on their behalf, shall solicit or accept contributions for runoff primary election expenses after the date of the runoff primary. No person other than the slated candidates shall contribute for runoff primary election expenses after the date of the runoff primary.~~

~~(16)~~] Subject to the provisions of subsection (20) of this section, no candidate or slate of candidates for any state, county, city, or district office at a regular election, nor their campaign committees, nor anyone on their behalf, shall solicit or accept contributions for regular election expenses after the date of the regular election. No person other than the candidate or slate of candidates shall contribute for regular election expenses after the date of the regular election.

(16)[~~(17)~~] Subject to the provisions of subsection (20) of this section, no candidate or slate of candidates for nomination or election to any state, county, city, or district office, nor their campaign committees, nor anyone on their behalf, shall solicit or accept contributions for special election expenses after the date of the special election. No person other than the candidate or slate of candidates shall contribute for special election expenses after the date of the special election.

(17)[~~(18)~~] Nothing in subsections (14) to *(16)*[~~(17)~~] of this section shall be deemed to prohibit a slate of candidates from receiving transfers from the election campaign fund established by KRS 121A.020 for which it is eligible for matches of qualifying contributions received prior to the date of the election but for which no transfer from the fund had been made prior to the date of the election.

(18)[~~(19)~~] The provisions of subsections (14) and *(15)*[~~(16)~~] of this section shall apply only to those candidates in a primary or regular election which shall be conducted subsequent to January 1, 1989. The provisions of ***subsection (16)***[~~subsections (15) and (17)~~] of this section shall apply only to those candidates or slates of candidates in a[~~ runoff primary or~~] special election which shall be conducted subsequent to January 1, 1993.

(19)[~~(20)~~] A candidate, slate of candidates, or a campaign committee may solicit and accept contributions after the date of a primary election, runoff primary election, regular election, or special election to defray necessary expenses that arise after the date of the election associated with election contests, recounts, and recanvasses of a specific election, complaints regarding alleged campaign finance violations that are filed with the registry pertaining to a specific election, or other legal actions pertaining to a specific election to which a candidate, slate of candidates, or campaign committee is a party. Reports of contributions received and expenditures made after the date of the specific election shall be made in accordance with KRS 121.180.

(20)[~~(21)~~] No slate of candidates for Governor and Lieutenant Governor or their immediate families shall loan any money, service, or other thing of value to their campaign, and all moneys, services, or other things of value which are loaned shall be deemed a contribution, which may not be recovered by the slate of candidates, except to the extent of a combined total of fifty thousand dollars ($50,000).

(21)[~~(22)~~] No candidate, slate of candidates, committee, except a political issues committee, or contributing organization, nor anyone on their behalf, shall knowingly accept a contribution from a corporation, directly or indirectly.

(22)[~~(23)~~] Nothing in this section shall be construed to restrict the ability of a corporation to administer its permanent committee insofar as its actions can be deemed not to influence an election as prohibited by KRS 121.025.

(23)[~~(24)~~] In addition to the prohibitions set forth in this section, no slate of candidates shall accept any contribution during the twenty-eight (28) days immediately preceding a primary or regular election except as provided in KRS 121A.030(5).

(24)[~~(25)~~] No candidate, slate of candidates, or committee, nor anyone on their behalf, shall solicit a contribution of money or services from a state employee, whether or not the employee is covered by the classified service provisions of KRS Chapter 18A. However, it shall not be a violation of this subsection for a state employee to receive a solicitation directed to him as a registered voter in an identified precinct as part of an overall plan to contact voters not identified as state employees.

(25)[~~(26)~~] (a) A candidate for elective public office, except slates of candidates for Governor and Lieutenant Governor, shall not accept contributions from permanent committees which, in the aggregate, exceed fifty percent (50%) of the total contributions accepted by the candidate in any one (1) election or ten thousand dollars ($10,000) in any one (1) election, whichever is the greater amount. The percentage of the total contributions or dollar amounts of

contributions accepted by a candidate in an election that is accepted from permanent committees shall be calculated as of the day of each election. Funds in a candidate's campaign account which are carried forward from one (1) election to another shall not be considered in calculating the acceptable percentage or dollar amount of contributions which may be accepted from permanent committees for the election for which the funds are carried forward. A candidate may, without penalty, contribute funds to his campaign account not later than sixty (60) days following the election so as not to exceed the permitted percentage or dollar amount of contributions which may be accepted from permanent committees or the candidate may, not later than sixty (60) days after the end of the election, refund any excess permanent committee contributions on a pro rata basis to the permanent committees whose contributions are accepted after the aggregate limit has been reached.

(b) The provisions of paragraph (a) of this subsection regarding the receipt of aggregate contributions from permanent committees in any one (1) election shall also apply separately to the receipt of aggregate contributions from executive committees of any county, district, state, or federal political party in any one (1) election.

(26)~~[(27)]~~ No candidate or slate of candidates for any office in this state shall accept a contribution, including an in-kind contribution, which is made from funds in a federal campaign account. No person shall make a contribution, including an in-kind contribution, from funds in a federal campaign account to any candidate or slate of candidates for any office in this state.

Section 12. KRS 121.180 is amended to read as follows:

(1) (a) Any candidate, slate of candidates, or political issues committee shall be exempt from filing any preelection finance reports required by subsection (3) of this section or KRS 121A.020(5), whichever is applicable, if the candidate, slate of candidates, or political issues committee chairman files a form prescribed and furnished by the registry stating that contributions will not be accepted or expended in excess of three thousand dollars ($3,000) in any one (1) election to further the candidacy or to support or oppose a constitutional amendment or public question which will appear on the ballot. For a candidate for judicial office who desires to be exempt from filing preelection campaign finance reports as provided in this paragraph, the request for exemption shall be filed by the campaign treasurer of the candidate's campaign committee, but the candidate shall be personally liable for any violation if the campaign treasurer accepts contributions or makes expenditures in excess of the limit and shall be subject to the same penalties as a candidate as provided in subparagraph (l)1. or 2. of this subsection. A separate form shall be required for each primary,~~[runoff primary,]~~ regular, or special election in which the candidate or slate of candidates participates or in which the public question appears on the ballot, unless the candidate, slate of candidates, or political issues committee chairman indicates on a request for exemption that the request will be applicable to more than one (1) election. The form shall be filed with the same office with which a candidate or slate of candidates files nomination papers or, in the case of a political issues committee, with the registry.

(b) Any candidate, slate of candidates, or political issues committee shall be exempt from filing any campaign finance reports required by subsections (3) and (4) of this section or KRS 121A.020(5), whichever is applicable, if the candidate, slate of candidates, or political issues committee chairman files a form prescribed and furnished by the registry stating that currently no contributions have been received and that contributions will not be accepted or expended in excess of one thousand dollars ($1,000) in any one (1) election. For a candidate for judicial office who desires to be exempt from filing any campaign finance reports as provided in this paragraph, the request for exemption shall be filed by the campaign treasurer of the candidate's campaign committee, but the candidate shall be personally liable for any violation if the campaign treasurer accepts contributions or makes expenditures in excess of the limit and shall be subject to the same penalties as a candidate as provided in subparagraph (l)1. or 2. of this subsection. A separate form shall be required for each primary,~~[runoff primary,]~~ regular, or special election in which the candidate or slate of candidates participates or in which the public question appears on the ballot, unless the candidate, slate of candidates, or political issues committee chairman indicates on a request for exemption that the request will be applicable to more than one (1) election. The form shall be filed with the same office with which a candidate or slate of candidates files nomination papers or, in the case of a political issues committee, with the registry.

(c) For a primary election, a candidate or slate of candidates shall file a request for exemption not later than the deadline for filing nomination papers and, except as provided in subparagraph 2. of paragraph (d) of this subsection, shall be bound by its terms unless it is rescinded in writing not later than fifteen (15) days after the filing deadline.~~[For a runoff primary election, a slate of candidates shall file its request for exemption not later than five (5) days after the date of the preceding primary election and shall be bound by its terms unless rescinded in writing not later than ten (10) days after the date of the preceding primary election.]~~ For a regular election, a candidate or slate of candidates shall file or rescind in writing a request for exemption not later than twenty-five (25) days after the date of the preceding primary election,~~[or runoff primary, if one is held,]~~ except as provided in subparagraph 2. of paragraph (d) of this subsection. For a special election, a candidate or slate of candidates shall file a request for exemption not later than ten (10) days after the candidate or slate of candidates is nominated for a special election and shall be bound by its terms unless it is rescinded in writing not later than twenty-five (25) days after the date on which the nomination for a special election is made. A political issues committee chairman shall file a request for exemption not later than ten (10) days after the date on which the committee registers with the registry and shall be bound by its terms unless it is rescinded in writing not later than fifteen (15) days after the date on which the request for exemption is filed.

(d) 1. A candidate or slate of candidates that revokes a request for exemption in a timely manner may exercise the remaining option or may file all reports required of a candidate intending to raise or spend in excess of three thousand dollars ($3,000) in an election. If a candidate or slate of candidates elects to exercise a different option, the candidate or slate of candidates shall file the appropriate form with the officer who received the filing papers of the candidate or slate of candidates not later than the deadline for filing a revocation.

2. A candidate for any city or county office or for any school board office, who is exempted from some or all campaign finance reporting requirements pursuant to paragraph (a) or (b) of this subsection but who accepts contributions or makes expenditures in excess of the exempted amount in an election, shall file all applicable reports required for the remainder of that election, based upon the amount of contributions or expenditures the candidate accepts or receives in that election. The filing of applicable required reports by a candidate after the exempted amount is exceeded shall serve as notice to the registry that the initial exemption has been rescinded. No further notice to the registry shall be required and no penalty for exceeding the initial exempted amount shall be imposed against the candidate, except for failure to file applicable reports required after the exempted amount is exceeded.

(e) Any candidate or slate of candidates that is subject to an August filing deadline and that intends to execute a request for exemption shall file the appropriate request for exemption not later than the filing deadline and, except as provided in subparagraph 2. of paragraph (d) of this subsection, shall be bound by its terms unless it is rescinded in writing not later than fifteen (15) days after the filing deadline. A candidate or slate of candidates that is covered by this paragraph shall have the same reversion rights as those provided in subparagraph 1. of paragraph (d) of this subsection.

(f) Any candidate or slate of candidates that will appear on the ballot in a regular election that has signed either request for exemption for that election may exercise the reversion rights provided in subparagraph 1. of paragraph (d) of this subsection if a candidate or slate of candidates that is subject to an August filing deadline subsequently files in opposition to the candidate or slate of candidates. Except as provided in subparagraph 2. of paragraph (d) of this subsection, a candidate or slate of candidates covered by this paragraph shall comply with the deadline for rescission provided in subparagraph 1. of paragraph (d) of this subsection.

(g) Except as provided in subparagraph 2. of paragraph (d) of this subsection, any candidate or slate of candidates that has filed a request for exemption for a regular election that later is opposed by a person who has filed a declaration of intent to receive write-in votes may rescind the request for exemption and exercise the reversion rights provided in subparagraph 1. of paragraph (d) of this subsection.

(h) Any candidate or slate of candidates that has filed a request for exemption may petition the registry to determine whether another person is campaigning as a write-in candidate prior to having filed a declaration of intent to receive write-in votes, and, if the registry determines upon a preponderance of the evidence that a person who may later be a write-in candidate is conducting a campaign, the candidate or slate of candidates, except as provided in subparagraph 2. of paragraph (d) of this subsection, may petition the registry to permit the candidate or slate of candidates to exercise the reversion rights provided in subparagraph 1. of paragraph (d) of this subsection.

(i) If the opponent of a candidate or slate of candidates is replaced due to his withdrawal because of death, disability, or disqualification, the candidate or slate of candidates, except as provided in subparagraph 2. of paragraph (d) of this subsection, may exercise the reversion rights provided in subparagraph 1. of paragraph (d) of this subsection not later than fifteen (15) days after the party executive committee nominates a replacement for the withdrawn candidate or slate of candidates.

(j) A person intending to be a write-in candidate for any office in a regular or special election may execute a request for exemption under paragraph (a) or (b) of this subsection and shall be bound by its terms unless it is rescinded in writing not later than fifteen (15) days after the filing deadline for the regular or special election. A person intending to be a write-in candidate who revokes a request for exemption in a timely manner may exercise the remaining exemption option or may file all reports required of a candidate intending to raise or spend in excess of three thousand dollars ($3,000) in an election. Except as provided in subparagraph 2. of paragraph (d) of this subsection, a person intending to be a write-in candidate who elects to exercise a different exemption option shall file the appropriate form with the officer who received the initial request for exemption not later than fifteen (15) days after the filing deadline for the regular or special election.

(k) Except as provided in subparagraph 2. of paragraph (d) of this subsection, the campaign committee of any candidate or slate of candidates that has filed a request for exemption or a political issues committee whose chairman has filed a request for exemption shall be bound by its terms unless it is rescinded in a timely manner and no new request for exemption has been executed.

(l) 1. Except as provided in subparagraph 2. of paragraph (d) of this subsection, any candidate, slate of candidates, or political issues committee that is exempt from filing campaign finance reports pursuant to paragraph (a), (b), (e), or (j) of this subsection that accepts contributions or makes expenditures, or whose campaign treasurer accepts contributions or makes expenditures, in excess of the applicable limit in any one (1) election without rescinding the request for exemption in a timely manner shall comply with all applicable reporting requirements and, in lieu of other penalties prescribed by law, pay a fine of not more than five hundred dollars ($500) plus the amount by which the spending limit was exceeded.

2. Except as provided in subparagraph 2. of paragraph (d) of this subsection, a candidate, slate of candidates, campaign committee, or political issues committee that is exempt from filing campaign finance reports pursuant to paragraph (a), (b), (e), or (j) of this subsection that knowingly accepts contributions or makes expenditures in excess of the applicable spending limit in any one (1) election without rescinding the request for exemption in a timely manner shall comply with all applicable reporting requirements and shall be guilty of a Class D felony.

(2) (a) State and county executive committees shall make a full report, upon a prescribed form, to the registry, of all money, loans, or other things of value, received from any source, and expenditures authorized, incurred, or made, since the date of the last report, including:

1. For each contribution of any amount made by a permanent committee, the name and business address of the permanent committee, the date of the contribution, the amount contributed, and a description of the major business, social, or political interest represented by the permanent committee;

2. For other contributions in excess of one hundred dollars ($100), the full name, address, age if less than the legal voting age, the date of the contribution, the amount of the contribution, and the employer and occupation of each contributor. If the contributor is self-employed, the name under which he is doing business shall be listed;

3. The total amount of cash contributions received during the reporting period; and

4. A complete statement of expenditures authorized, incurred, or made. The complete statement of expenditures shall include the name and address of each person to whom an expenditure is made in excess of twenty-five dollars ($25), and the amount, date, and purpose of each expenditure.

(b) This report shall be in the hands of the registry or postmarked within five (5) days after the thirtieth day following the primary[~~, runoff primary if slates of candidates of that party participate,~~] and regular elections. If an individual gives a reportable contribution to a state or county executive committee with the intention that the contribution or a portion of the contribution go to a candidate or slate of candidates, the name of the contributor and the sum shall be indicated on the committee report. The receipts and expenditures of funds remitted to each political party under KRS 141.071 to 141.073 shall be separately accounted for and reported to the registry in the manner required by KRS 121.230. The separate report may be made a separate section within the report required, by this subsection, to be in the hands of the registry or postmarked within five (5) days after the thirtieth day following each regular election.

(3) (a) Except for candidates or slates of candidates, campaign committees, or political issues committees exempted from reporting requirements pursuant to subsection (1) of this section, each campaign treasurer of a candidate, slate of candidates, campaign committee, or political issues committee who accepts contributions or expends, expects to accept contributions or expend, or contracts to expend more than three thousand dollars ($3,000) in any one (1) election, and each fundraiser who secures contributions in excess of three thousand dollars ($3,000) in any one (1) election, shall make a full report to the registry, on a form provided or using a format approved by the registry, of all money, loans, or other things of value, received from any source, and expenditures authorized, incurred, and made, since the date of the last report, including:

1. For each contribution of any amount made by a permanent committee, the name and business address of the permanent committee, the date of the contribution, the amount contributed, and a description of the major business, social, or political interest represented by the permanent committee;

2. For each contribution in excess of one hundred dollars ($100) made to a candidate or slate of candidates for a statewide-elected state office, or to a campaign committee for a candidate or slate of candidates for a statewide-elected state office, the date, name, address, occupation, and employer of each contributor and the spouse of the contributor or, if the contributor or spouse of the contributor is self-employed, the name under which he is doing business, and the amount contributed by each contributor; and

3. For each contribution in excess of one hundred dollars ($100) made to any candidate or campaign committee other than those specified in subparagraph 2. or a political issues committee, the full name, address, age if less than the legal voting age, the date of the contribution, the amount of the contribution, and the employer and occupation of each other contributor. If the contributor is self-employed, the name under which he is doing business shall be listed;

4. The total amount of cash contributions received during the reporting period; and

5. A complete statement of all expenditures authorized, incurred, or made. The complete statement of expenditures shall include the name, address, and occupation of each person to whom an expenditure is

made in excess of twenty-five dollars ($25), and the amount, date, and purpose of each expenditure.

(b) Reports of all candidates, campaign committees, political issues committees, and registered fundraisers shall be made as follows:

1. Candidates as defined in KRS 121.015(8), campaign committees, political issues committees, and fundraisers which register in the year before the year an election in which the candidate or public question shall appear on the ballot, shall file financial reports with the registry at the end of the first calendar quarter after the person becomes a candidate or following registration of the committee or fundraiser, and each calendar quarter thereafter, ending with the last calendar quarter of that year. Candidates, committees, and registered fundraisers shall make all reports required by this section during the year in which the election takes place;

2. All candidates, campaign committees, political issues committees, and registered fundraisers shall make reports on the thirty-second day preceding an election, including all previous contributions and expenditures;

3. All candidates, campaign committees, political issues committees, and registered fundraisers shall make reports on the fifteenth day preceding the date of the election; and

4. All reports to the registry shall be received by the registry or postmarked within five (5) days after each filing deadline.

(4) Except for candidates, slates of candidates, and political issues committees, exempted pursuant to subsection (1)(b) of this section, all candidates, regardless of funds received or expended, campaign committees, political issues committees, and registered fundraisers shall make post-election reports within thirty (30) days after the election.

(5) In making the preceding reports, the total gross receipts from each of the following categories shall be listed: proceeds from the sale of tickets for events such as testimonial affairs, dinners, luncheons, rallies, and similar fundraising events, mass collections made at the events, and sales of items such as campaign pins, buttons, hats, ties, literature, and similar materials. When any individual purchase or the aggregate purchases of any item enumerated above from a candidate or slate of candidates for a statewide-elected state office or a campaign committee for a candidate or slate of candidates for a statewide-elected state office exceeds one hundred dollars ($100), the purchaser shall be identified by name, address, age, if less than the legal voting age, occupation, and employer and the employer of the spouse of the purchaser or, if the purchaser or the spouse of the purchaser is self-employed, the name under which he is doing business, and the amount of the purchase. When any individual purchase or the aggregate purchases of any item enumerated above from any candidate or campaign committee other than a candidate or slate of candidates for a statewide-elected state office or campaign committee for a candidate or slate of candidates for a statewide-elected state office exceeds one hundred dollars ($100), the purchaser shall be identified by name, address, age if less than the legal voting age, occupation, and employer, or if the purchaser is self-employed, the name under which he is doing business, and the amount of the purchase. The lists shall be maintained by the campaign treasurer, political issues committee treasurer, registered fundraiser, or other sponsor for inspection by the registry for six (6) years following the date of the election.

(6) Each permanent committee, except a federally registered out-of-state permanent committee, inaugural committee, or contributing organization shall make a full report to the registry, on a form provided or using a format approved by the registry, of all money, loans, or other things of value, received by it from any source, and all expenditures authorized, incurred, or made, since the date of the last report, including:

(a) For each contribution of any amount made by a permanent committee, the name and business address of the permanent committee, the date of the contribution, the amount contributed, and a description of the major business, social, or political interest represented by the permanent committee;

(b) For other contributions in excess of one hundred dollars ($100), the full name, address, age if under the legal voting age, the date of the contribution, the amount of the contribution, and the employer and occupation of each contributor. If the contributor is self-employed, the name under which he is doing business shall be listed;

(c) An aggregate amount of cash contributions, the amount contributed by each contributor, and the date of each contribution; and

(d) A complete statement of all expenditures authorized, incurred, or made, including independent expenditures. This report shall be made by a permanent committee, inaugural committee, or contributing organization to the registry on the last day of the first calendar quarter following the registration of the committee with the registry and on the last day of each succeeding calendar quarter until such time as the committee terminates. A contributing organization shall file a report of contributions received and expenditures on a form provided or using a format approved by the registry not later than the last day of each calendar quarter in which contributions are received or expenditures are made. All reports to the registry shall be postmarked or received not later than five (5) days after each filing deadline.

(7) If the final statement of a candidate, campaign committee, or political issues committee shows an unexpended balance of contributions, continuing debts and obligations, or an expenditure deficit, the campaign treasurer shall file with the registry a supplemental statement of contributions and expenditures not more than thirty (30) days after the deadline for filing the

final statement. Subsequent supplemental statements shall be filed annually, to be received by the registry or postmarked not later than ten (10) days after November 1 of each year, until the account shows no unexpended balance, continuing debts and obligations, expenditures, or deficit, or until the year before the candidate seeks to appear on the ballot for the same office for which the funds in the campaign account were originally contributed, in which case the candidate shall file the supplemental annual report not later than ten (10) days after November 1 of that year or at the end of the first calendar quarter of that year after the candidate files his nomination papers for the next year's primary or regular election. All contributions shall be subject to KRS 121.150.

(8) All reports filed under the provisions of this chapter shall be a matter of public record open to inspection by any member of the public immediately upon receipt of the report by the registry. A duplicate paper copy of each report filed either on paper or electronically with the registry shall be filed by the candidate, slate of candidates, or committee with the county clerk in the county in which the candidate or persons running as a slate of candidates reside at the same time. County clerks shall maintain these reports for public inspection for a period of one (1) year from the date the last report is required to be filed.

(9) A candidate or slate of candidates is relieved of the duty personally to file reports and keep records of receipts and expenditures if the candidate or slate states in writing or on forms provided by the registry that:

(a) Within five (5) business days after personally receiving any contributions, the candidate or slate of candidates shall surrender possession of the contributions to the treasurer of their principal campaign committee without expending any of the proceeds thereof. No contributions shall be commingled with the candidate's or slated candidates' personal funds or accounts. Contributions received by check, money order, or other written instrument shall be endorsed directly to the campaign committee and shall not be cashed or redeemed by the candidate;

(b) The candidate or slate of candidates shall not make any unreimbursed expenditure for the campaign, except that this paragraph does not preclude a candidate or slate from making an expenditure from personal funds to the designated principal campaign committee, which shall be reported by the committee as a contribution received; and

(c) The waiver shall continue in effect as long as the candidate or slate of candidates complies with the conditions under which it was granted.

(10) No candidate, slate of candidates, campaign committee, political issues committee, or contributing organization shall use or permit the use of contributions or funds solicited or received for the person or in support of or opposition to a public issue which will appear on the ballot to further the candidacy of the person for a different public office, to support or oppose a different public issue, or to further the candidacy of any other person for public office; except that nothing in this subsection shall be deemed to prohibit a candidate or slate of candidates from using funds in the campaign account to purchase admission tickets for any fundraising event or testimonial affair for another candidate or slate of candidates if the amount of the purchase does not exceed one hundred dollars ($100) per event or affair. Any funds or contributions solicited or received by or on behalf of a candidate, slate of candidates, or any committee, which has been organized in whole or in part to further any candidacy for the same person or to support or oppose the same public issue, shall be deemed to have been solicited or received for the current candidacy or for the election on the public issue if the funds or contributions are solicited or received at any time prior to the regular election for which the candidate, slate of candidates, or public issue is on the ballot. Except as provided in KRS 121A.080*(5)*[~~(6)~~], any unexpended balance of funds not otherwise obligated for the payment of expenses incurred to further a political issue or the candidacy of a person shall, in whole or in part, at the election of the candidate or committee, escheat to the State Treasury, be returned pro rata to all contributors, or, in the case of a partisan candidate, be transferred to the state or county executive committee of the political party of which the candidate is a member except that a candidate, committee, or an official may retain the funds to further the same public issue or to seek election to the same office or may donate the funds to any charitable, nonprofit, or educational institution recognized under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and any successor thereto.

(11) (a) Any publisher of newspapers or magazines, owner or lessor of billboards, or any other person, company, corporation, or business organization offering its communications or advertising services for hire to the public who receives funds for the purchase of advertising services or material, shall file with the registry a copy of the material or communication purchased which supports or opposes any slate of candidates or committee; a copy of the receipt for the funds paid; the name and address of each purchaser; and the source of the funds for the purchase if different than the purchaser.

(b) A radio or television station or network that receives funds for the purchase of advertising services or material that supports or opposes a slate of candidates or committee shall file with the registry a copy of the documentation of paid political campaign advertisements that is required to be maintained by the Federal Communications Commission, along with a cover letter from the manager of the station or network or the manager's designee.

(c) All information required to be reported by paragraphs (a) and (b) of this subsection shall be in the hands of the registry or postmarked not later than the thirtieth day following the primary[~~, runoff primary,~~] and regular elections that are held subsequent to the date that the broadcasting or printing of the advertisement occurs.

(d) The provisions of this subsection shall apply only to purchases of advertising services or material to support or oppose a slate of candidates for election to the offices of Governor and Lieutenant Governor.

(e) Notwithstanding KRS 121.990 and KRS 121A.990, penalties for violation of this subsection shall be assessed in accordance with the provisions of KRS 121.140(2).

(12) (a) For the purposes of this subsection, "election cycle," as applied to contributions, expenditures, or loans to support or oppose a candidate for a particular office, means the period of time beginning January 1 following a regular election for the office and ending December 31 following the next regular election for that office.

(b) For the purpose of this subsection, "election cycle," as applied to contributions, expenditures, or loans to support or oppose a constitutional amendment or public question which appears on the ballot, means the period of time beginning January 1 following a regular election for any state legislative office and ending December 31 following the next regular election for any state legislative office.

(c) If adequate and appropriate agency funds are available to implement this subsection, beginning on January 1, 2002, the option of electronic reporting shall be made available by the registry for all of the following:

1. Candidates for statewide office and slates of candidates that during the election cycle receive contributions or loans in the aggregate of twenty-five thousand dollars ($25,000) or more, or at any time have a balance in a campaign account or accounts in the aggregate of twenty-five thousand dollars ($25,000) or more;

2. Candidates for the General Assembly that during the election cycle receive contributions or loans in the aggregate of twelve thousand five hundred dollars ($12,500), or at any time have a balance in an aggregate of twelve thousand five hundred dollars ($12,500) or more; and

3. Campaign committees, political issues committees, permanent committees, registered fundraisers, contributing organizations, and individuals and entities making independent expenditures that during the election cycle receive contributions or loans in an aggregate of twenty-five thousand dollars ($25,000) or more, make expenditures in an aggregate of twenty-five thousand dollars ($25,000) or more, or at any time have a balance in an aggregate of twenty-five thousand dollars ($25,000) or more.

(13) Filers specified in subsection (12) of this section shall also continue to file required campaign finance reports in paper format until the registry deems it is no longer necessary. The paper copy shall continue to be the official version for audit and other legal purposes.

(14) Filers not required to file reports electronically, as set forth in this section, are strongly encouraged to do so voluntarily.

(15) The date that an electronic or on-line report shall be deemed to have been filed with the registry shall be the date on which it is received by the registry.

(16) All electronic or on-line filers shall affirm, under penalty of perjury, that the report filed with the registry is complete and accurate.

(17) Filers who submit computer disks which are not readable, cannot be copied, or are not accompanied by any requisite paper copy shall be deemed to not be in compliance with the requirements set forth in this section.

(18) No candidate is obligated to file any reports electronically.

Section 13. KRS 121.220 is amended to read as follows:

(1) Each candidate, slate of candidates, and each committee shall, before receiving any contributions or expending any money, designate one (1) primary campaign depository for the purpose of depositing all contributions received and disbursing all expenditures made by the candidate, slate of candidates, or committee. The candidate, slate of candidates, or committee may also designate one (1) secondary depository in each county in which an election is held and in which the candidate, slate of candidates, or committee participates. Deputy campaign treasurers may make expenditures from secondary depositories but only from moneys which first have been deposited in the primary campaign depository. Only a financial institution authorized to transact business in Kentucky may be designated as a campaign depository. The candidate, slate of candidates, or committee shall file the name and address of each primary and secondary depository so designated at the same time the candidate, slate of candidates, or committee files the name of his or its campaign treasurer.

(2) All funds received by the campaign treasurer or any deputy campaign treasurer of any candidate or committee shall be deposited in a campaign depository in an account designated "Campaign Fund of (name of candidate or committee)." For each deposit, the campaign treasurer or deputy campaign treasurer shall retain a statement showing the name and business address of the permanent committee, the amount contributed, and a description of the major business, social, or political interest represented by the permanent committee for each contribution of any amount made by a permanent committee, and the full name, address, employer of each other contributor and the spouse of the contributor or, if the contributor or spouse of the contributor is self-employed, the name under which he is doing business, and occupation of each contributor of more than one hundred dollars ($100) and the amount contributed. Cash contributions shall be accompanied by the same receipt form. The campaign treasurer or deputy campaign treasurer for a slate of candidates or a slate's campaign committee shall comply with the requirements of KRS 121A.080*(5)*~~[(6)]~~.

Section 14. KRS 121A.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Registry" means the Kentucky Registry of Election Finance;

(2) "Fund" means the election campaign fund;

(3) "Transfer" means a transfer from the fund to a qualifying slate of candidates;

(4) "Qualifying contribution" means a contribution made to a slate of candidates for Governor and Lieutenant Governor by a natural person, permanent committee, executive committee of a political party, or contributing organization that is authorized to contribute to candidates that is paid by personal check, cashier's check, or money order. A qualifying contribution shall not include a cash contribution, loan, pledge, nonmonetary contribution, or contribution by a slate of candidates in excess of the contribution limits of KRS 121A.050;

(5) "Qualifying slate of candidates" means any slate of candidates of a political party or any independent nominees for Governor and Lieutenant Governor whose names are qualified to appear jointly on a primary~~[or runoff primary]~~ election ballot, or candidates who have filed a notification and declaration pursuant to KRS 118.127 who are authorized by this chapter to receive contributions and make expenditures jointly for the regular election, and one (1) that has otherwise qualified under this chapter to receive a transfer from the election campaign fund, including having raised the minimum threshold qualifying amount~~[. "Qualifying slate of candidates," when applied to a runoff primary, means a slate of candidates for Governor and Lieutenant Governor that has been certified by the Secretary of State as one that has received the highest or next highest number of votes for its party's nomination in a primary that filed a statement of intent to accept a transfer from the fund and abide by the expenditure limit for the primary which was not rescinded in a timely manner]~~;

(6) "Slate of candidates" means any two (2) persons who have filed a joint notification and declaration pursuant to KRS 118.127, received contributions or made expenditures, appointed a campaign treasurer, designated a campaign depository, or given their consent for any other individual to receive contributions or make expenditures, with a view to bringing about their nomination for election to the offices of Governor and Lieutenant Governor. Unless the context requires otherwise, any provision of law that applies to a candidate shall also apply to a slate of candidates;

(7) "Candidate campaign account" means the bank account required by KRS 121.160 to be established, which for a slate of candidates for Governor and Lieutenant Governor shall be in a financial institution authorized to do business in Kentucky which is insured by the Federal Deposit Insurance Corporation and shall be for the sole purpose of receiving transfers from the fund and contributions or other moneys raised from personal resources;

(8) "Campaign expenditures" means lawful expenditures from a candidate campaign account on behalf of a slate of candidates to further its nomination or election to the offices of Governor and Lieutenant Governor authorized by the campaign committee treasurer or other authorized individual;

(9) "Committee" includes the following:

(a) "Campaign committee" which means one (1) or more persons who receive contributions and make expenditures to support or oppose one (1) or more specific slate of candidates for nomination or election to the offices of Governor and Lieutenant Governor;

(b) "Political issues committee," which means three (3) or more persons joining together to advocate or oppose a constitutional amendment or public question which will appear on the ballot if that committee receives or expends money in excess of one thousand dollars ($1,000);

(c) "Permanent committee," which means a group of individuals, including an association, committee, or organization, other than a campaign committee or party executive committee, which is established as, or intended to be, a permanent organization having as a primary purpose expressly advocating the election or defeat of one (1) or more clearly identified candidates, slates of candidates, or political parties and which functions on a regular basis throughout the year;

(d) An executive committee of a political party; and

(e) "Exploratory committee," which means a committee formed by one (1) or more persons which is registered pursuant to KRS 121.170 to accept contributions and make expenditures for the purpose of determining the feasibility of forming a slate of candidates for Governor and Lieutenant Governor or of determining the composition of a slate of candidates for Governor and Lieutenant Governor;

(10) "Contributing organization" means a group which merely contributes to candidates, campaign committees, or executive committees from time to time from funds derived solely from within the group, and which does not solicit or receive funds from sources outside the group itself. However, any contribution made by a contributing organization in excess of one hundred dollars ($100) shall be reported to the registry;

(11) (a) "Contribution" means any:

1. Payment, distribution, loan, deposit, or gift of money or other thing of value, to a slate of candidates, its agent, a committee, or contributing organization. As used in this subsection, "loan" shall include a guarantee, endorsement, or other form of security where the risk of nonpayment rests with the surety, guarantor, or endorser, as well as with a committee, contributing organization, slate of candidates, or other primary obligor. No individual shall become liable as surety, endorser, or guarantor for any sum which, when combined with all other contributions the individual makes to the slate of candidates, its agent, the committee, or the contributing organization, exceeds the contribution limits provided in KRS 121.150;

2. Payment by any individual other than the slate of candidates, its authorized treasurer, a committee, or contributing organization of compensation for the personal services of another individual which are

rendered to a slate of candidates, committee, or contributing organization;

3. Goods, advertising, or services with a value of more than one hundred dollars ($100) in the aggregate in any one (1) election which are furnished to a slate of candidates, committee, or contributing organization without charge, or at a rate which is less than the rate normally charged for such goods or services, if the person furnishing the goods, advertising, or services paid another person for their provision; or
4. Payment by any individual other than the slate of candidates, its authorized treasurer, a committee, or contributing organization for any goods or services with a value of more than one hundred dollars ($100) in the aggregate in any one (1) election which are utilized by a slate of candidates, committee, or contributing organization, if the person making the payment paid another person for their utilization.

(b) Notwithstanding the foregoing meanings of "contribution," it shall not be construed to include:

1. Services provided without compensation by individuals volunteering a portion or all of their time on behalf of a slate of candidates, committee, or contributing organization;
2. Expenditures by an individual other than a candidate in connection with an event held in the individual's home when the individual expends less than three hundred dollars ($300);
3. A loan of money by any financial institution doing business in Kentucky made in accordance with applicable banking laws and regulations and in the ordinary course of business; or
4. An independent expenditure by any individual or permanent committee;

(12) "Knowingly" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists; and

(13) "Independent expenditure" means the expenditure of money or other things of value for a communication which expressly advocates the election or defeat of a clearly identified candidate or slate of candidates, and which is made without any coordination, consultation, or cooperation with any candidate, slate of candidates, campaign committee, or any authorized person acting on behalf of any of them, and which is not made in concert with, or at the request or suggestion of any candidate, slate of candidates, campaign committee, or any authorized person acting on behalf of any of them.

Section 15. KRS 121A.020 is amended to read as follows:

(1) There is established a special account of the general fund in the State Treasury to be known as the election campaign fund from which funds may be paid only upon warrants issued by the registry.

(2) The registry shall distribute transfers for the matching of qualifying contributions to a qualifying slate of candidates for Governor and Lieutenant Governor as provided in KRS 121A.080. The transfers shall be paid from moneys derived from appropriations made to the fund for that purpose and moneys transferred to the fund pursuant to KRS 121A.080*(5)*[~~(6)~~], 118.255(3), and 121A.015(5).

(3) The registry shall report to the General Assembly within three (3) months following an election for Governor and Lieutenant Governor the total amount of transfers from the fund paid to each qualifying slate of candidates for qualifying contributions.

(4) The registry shall preserve all receipted bills and accounts required to be kept by this chapter for a period of six (6) years.

(5) In lieu of the reporting provisions of KRS 121.180(3)(b)1., 2., and 3., all slated candidates' campaign committees, including those of slates of candidates rejecting expenditure limitations, and fundraisers for slated candidates who are registered pursuant to KRS 121.170(2), shall report all contributions and expenditures to the registry not later than five (5) days after the last day of the calendar month following the formation and registration of the committee or registration of the fundraiser and not later than five (5) days after the last day of each calendar month thereafter until the fifty-six (56) days immediately preceding the primary and regular election of a year in which a Governor and Lieutenant Governor are elected when reports shall be filed not later than three (3) days after the fifty-sixth, forty-second, twenty-eighth, and fourteenth days preceding the primary or regular election. All contributions received by a slate of candidates as of the last day of each reporting period shall be included on the report for that period regardless of whether the contributions have been deposited in the slate's campaign account.[~~ Slated candidates participating in a runoff primary and registered fundraisers for slated candidates in a runoff primary shall report all contributions and expenditures to the registry fourteen (14) days before the runoff primary.~~] All slated candidates and registered fundraisers for slated candidates shall make a report to the registry not later than thirty (30) days following any election in which they participate and shall submit additional reports every thirty (30) days thereafter until all financial obligations of the slate have been fulfilled and the candidate campaign account has been closed in lieu of the reporting provisions of KRS 121.180(4). All reports required by this subsection shall include all contributions deposited into and all expenditures paid from the candidate campaign account as of the close of business on the last day of the reporting period.

(6) After each primary[~~, each runoff primary,~~] and each regular election in a year in which a Governor and Lieutenant Governor are elected, the registry shall conduct a thorough examination and audit of the contributions to and campaign expenditures by any campaign committee of each slate of candidates and issue a separate report on each campaign committee.

(7) The registry shall promulgate administrative regulations and official forms and perform other duties necessary to

implement the provisions of this chapter.

Section 16. KRS 121A.030 is amended to read as follows:

(1) A qualifying slate of candidates for Governor and Lieutenant Governor that receives transfers from the fund may make campaign expenditures which, in the aggregate, including the expenditure of transfers from the fund, shall not exceed one million eight hundred thousand dollars ($1,800,000) in connection with a primary election campaign and one million eight hundred thousand dollars ($1,800,000) in connection with a regular election campaign, subject to the provisions of KRS 121A.080***(3) and*** (4)[~~ and (5), and three hundred thousand dollars ($300,000) in connection with a runoff primary campaign~~].

(2) The expenditure limit amounts established in subsection (1) of this section shall be increased or decreased in accordance with the consumer price index for all urban workers, and the registry shall make that adjustment in a year in which a Governor and Lieutenant Governor are elected not later than the filing deadline for the primary election.

(3) No qualifying slate of candidates for Governor and Lieutenant Governor that receives a transfer from the fund or that is otherwise subject to expenditure limitations shall exceed the expenditure limitations of subsection (1) of this section through an additional reported or unreported expenditure by any person, committee, or contributing organization which does not qualify as an independent expenditure.

(4) A slate of candidates for Governor and Lieutenant Governor that has filed a statement of intent to accept transfers from the fund and abide by the maximum expenditure limit that was not rescinded pursuant to KRS 121A.040(4) may receive contributions from permanent committees which, in the aggregate, shall not exceed twenty-five percent (25%) of the qualifying contributions received by the slate of candidates in any one (1) election. A slate of candidates that has filed a statement of intent to reject transfers from the fund and not abide by the maximum expenditure limit or one that has rescinded a statement of intent to accept transfers from the fund pursuant to KRS 121A.040(4) may receive contributions from permanent committees which, in the aggregate, shall not exceed twenty-five percent (25%) of the qualifying contributions received by the slate of candidates in any one (1) election up to a maximum of one hundred fifty thousand dollars ($150,000) in any one (1) election.

(5) No slate of candidates for Governor and Lieutenant Governor shall knowingly accept any other campaign contribution during the twenty-eight (28) days immediately preceding a primary or regular election[~~ and during the fourteen (14) days immediately preceding a runoff primary~~] except:

(a) A qualifying slate of candidates that has elected to become eligible for fund transfers or who may in the future elect to become eligible for fund transfers shall be released from expenditure limitations following a certification by the registry pursuant to KRS 121A.080***(3) or*** (4)[~~ or (5)~~] that a slate of candidates that has not elected to become eligible for fund transfers has received contributions or made expenditures in excess of the expenditure limits provided in subsection (1) of this section; or

(b) The matching ratio of fund transfers established in KRS 121A.060(3)(c) has been reduced by the registry pursuant to KRS 121A.080***(2)***[~~(3)~~]. If the registry reduces the matching ratio of fund transfers, a qualifying slate of candidates that has elected to become eligible for fund transfers or that may in the future elect to become eligible for fund transfers, may accept aggregate qualifying contributions which, when added to the maximum threshold qualifying amount established in KRS 121A.060(1) and the amount equal to the reduced matching ratio of fund transfers shall not exceed the expenditure limit established in subsection (1) of this section, unless a qualifying slate of candidates has been released from expenditure limitations pursuant to KRS 121A.080***(3) or*** (4)[~~ or (5)~~].

Section 17. KRS 121A.040 is amended to read as follows:

(1) Each slate of candidates for Governor and Lieutenant Governor shall file with the registry a statement of intent to accept or to reject a transfer from the election campaign fund. The statement shall be filed not later than the deadline for filing nomination papers.

(2) A qualifying slate of candidates that intends to accept a transfer shall swear that the slate and the slate's authorized agents have complied with and will continue to comply with applicable contribution and expenditure limits.

(3) A slate of candidates shall designate in the statement of intent whether the slate will accept or reject a transfer in either the primary or the regular election. A qualifying slate of candidates that receives a transfer from the fund in either the primary or regular election shall be bound by the contribution and expenditure limits of KRS 121A.030 and 121A.050 throughout the campaign. A slate of candidates that rejects expenditure limitations in a primary shall not be eligible to receive a transfer from the fund[~~ in a runoff primary or~~] the regular election. A slate of candidates that accepts expenditure limitations in a primary shall not reject expenditure limitations in a regular election.

(4) (a) Prior to the payment by the registry of either a primary election transfer or a regular election transfer, a slate of candidates may rescind its statement of acceptance by filing a notice rescinding its acceptance not later than 4 p.m., prevailing time, not later than ten (10) calendar days after the date for filing nomination papers.

(b) A slate of candidates may rescind its statement of rejection if it has not received contributions or made expenditures in excess of the expenditure limit established by KRS 121A.030(1) by filing a notice rescinding its rejection not later than 4 p.m., prevailing time, not later than ten (10) calendar days after the date for filing nomination papers.

Section 18. KRS 121A.060 is amended to read as follows:

(1) The minimum threshold qualifying amount for a slate of candidates for Governor and Lieutenant Governor in a primary or regular election that elects to be eligible to receive a transfer from the fund shall be three hundred thousand dollars ($300,000) in qualifying contributions and the maximum threshold qualifying amount for a primary or regular election shall be six hundred thousand dollars ($600,000) in qualifying contributions for any one (1) election. Not more than fifty percent (50%) of a threshold qualifying amount shall be received from residents of the same congressional district. No qualifying slate of candidates shall accept qualifying contributions in any one (1) election which in the aggregate exceed the maximum threshold qualifying amount unless a qualifying slate of candidates has been released from expenditure limitations pursuant to KRS 121A.080***(3) or*** (4)[~~ or (5)~~]. A qualifying slate which discovers that it has received qualifying contributions in excess of the maximum threshold qualifying amount shall, without penalty, dispose of qualifying contributions received after the maximum threshold qualifying amount was reached by returning the excess contributions to the contributors. The excess contributions returned to the contributors shall not be considered as qualifying contributions and shall not be matched by transfers from the fund. After the expenditure limit amounts are adjusted under KRS 121A.030(1) in accordance with the consumer price index for all urban workers, the threshold qualifying amounts shall be increased or decreased accordingly. The adjusted maximum threshold qualifying amount shall be one-third (1/3) of the adjusted expenditure limit amount for a primary or regular election campaign, and the adjusted minimum threshold qualifying amount shall be one-half (1/2) of the adjusted maximum threshold qualifying amount. The registry shall make the adjustments in the threshold qualifying amounts in a year in which a Governor and Lieutenant Governor are elected not later than the filing deadline for the primary election.

(2) In order to become a qualifying slate of candidates for the purpose of receiving a transfer from the fund in a primary or regular election, or both, a slate of candidates shall request certification from the registry in a form and in the manner which the registry shall prescribe by administrative regulations promulgated in accordance with this chapter.

(3) The registry shall immediately review the request of a slate of candidates for certification to receive a transfer from the fund. The request for certification shall include:

  (a) A statement of intent accepting maximum expenditure limitations;

  (b) A copy of the slate's nomination papers;

  (c) The financial reports filed by or on behalf of the slate of candidates as of the date of the request for certification which indicate that the slate of candidates has raised a threshold qualifying amount in individual qualifying contributions for a transfer from the fund at a two (2) for one (1) matching ratio; and

  (d) Any other information reasonably necessary that is required by the registry.

(4) The registry shall certify whether a slate of candidates is eligible to receive a primary election transfer no later than seven (7) working days after the slate submits the required documentation.

(5) The registry shall certify whether a slate of candidates is eligible to receive a regular election transfer not later than seven (7) working days after the slate submits the required documentation; except that if the slate is required to take part in a primary election, the results of the primary election shall have been certified by the registry.

(6) A separate determination and certification shall be made for a primary and a regular election.

(7) The certification issued by the registry shall indicate:

  (a) Whether a slate of candidates is eligible to receive a transfer; and

  (b) The amount of fund transfers the slate of candidates is eligible to receive based on the amount of qualifying contributions that the slate has received at the time that it requests a transfer eligibility certification.

(8) A slate of candidates may make multiple requests for fund transfer eligibility certification in the course of a primary or regular election at the times and in the manner which the registry shall prescribe by administrative regulation.

(9) If a slate of candidates that has filed a statement of intent to accept a transfer is not eligible to receive a transfer, the certification shall:

  (a) State the reasons why the slate of candidates is not eligible to receive a transfer; and

  (b) What action, if any, the slate of candidates may take to qualify for a transfer.

(10) A slate of candidates may file with the registry a written request to review the determination of the registry no later than seven (7) calendar days after the date of certification. The registry shall issue a ruling not later than ten (10) days after receiving a request to review its determination.

(11) A slate of candidates denied certification by the registry may appeal an adverse ruling within twenty (20) days by filing a notice of appeal in the Court of Appeals in accordance with the Rules of Civil Procedure and the appeal of a ruling by the registry shall be advanced on the docket to permit a timely decision.

(12)[~~ No threshold qualifying amount shall be required for a slate of candidates participating in a runoff primary. A qualifying slate of candidates shall be certified to receive a fund transfer for the runoff primary, if one shall be held, upon the registry's certification that the qualifying slate of candidates received the highest or next highest number of votes for its party's nomination for Governor and Lieutenant Governor at the primary election or that a qualifying slate of candidates~~

~~was determined by lot to be eligible to participate in a runoff primary pursuant to KRS 118.245(6).~~

~~(13)~~] No qualifying slate of candidates seeking its party's nomination for Governor and Lieutenant Governor shall be eligible to receive transfers from the fund in a primary or regular election unless at least one (1) opposing slate of candidates has received and deposited in its candidate campaign account funds in an amount not less than the minimum threshold qualifying amount established in subsection (1) of this section. After this requirement has been met in a primary or regular election, qualifying slates may independently qualify for subsequent transfers in that election without regard to the ability of another qualifying slate in that election to qualify for subsequent transfers in that election.

Section 19. KRS 121A.080 is amended to read as follows:

(1) If the registry certifies that a qualifying slate of candidates is eligible to receive a transfer from the fund, the slate may submit a transfer entitlement voucher to the registry, complying with the procedures of subsection *(6)*[~~(7)~~] of this section. Qualifying slates of candidates may receive transfers from the fund according to the matching ratio and threshold levels of qualifying contributions received specified in KRS 121A.060(3)(c) and 121A.060(1), respectively. Subject to subsections *(3)*[~~(4)~~] and *(4)*[~~(5)~~] of this section, a transfer entitlement voucher may document total qualifying contributions of not less than three hundred thousand dollars ($300,000) but not more than six hundred thousand dollars ($600,000) for a primary or regular election for receipt of total fund transfers equal to twice the amount of qualifying contributions documented. A qualifying slate may submit multiple transfer entitlement vouchers as additional qualifying contributions are received in an election, but the maximum amount of fund transfers a slate may receive in a primary or regular election shall not exceed one million two hundred thousand dollars ($1,200,000), subject to the provisions of subsections *(3)*[~~(4)~~] and *(4)*[~~(5)~~] of this section.

(2)[~~ The fund transfer which a qualifying slate of candidates for Governor and Lieutenant Governor in a runoff primary may receive shall be three hundred thousand dollars ($300,000).~~

~~(3)~~] The fund transfer amounts shall be increased or decreased in accordance with the consumer price index for all urban workers, and the registry shall make that adjustment annually, beginning in 1996, and in a year in which a Governor and Lieutenant Governor are elected not later than the filing deadline for the primary election. If the registry makes a finding of fact, after a public hearing of which all slates of candidates for Governor and Lieutenant Governor shall be notified, that the existing appropriations in the fund are insufficient to cover the anticipated fund transfers, the registry shall reduce the matching ratio to the ratio the registry determines so as not to exceed the amount of the fund. If the matching ratio is reduced for a primary election, it shall be applied retroactively to all transfers made to qualifying slates of candidates in the primary election. If the matching ratio is reduced for a regular election, it shall be applied retroactively to all transfers made to qualifying slates of candidates in the regular election.

(3)[~~(4)~~] (a) If the registry makes a finding of fact, after a public hearing of which all slates of candidates for Governor and Lieutenant Governor shall be notified, that in the course of a primary election[~~, runoff primary election,~~] or regular election campaign a slate of candidates for Governor and Lieutenant Governor that has not accepted the provisions of this chapter has received contributions or made expenditures in excess of the expenditure limit as provided in KRS 121A.030(1), the registry shall certify that those slates of candidates that have elected to become eligible for fund transfers or may in the future elect to become eligible for fund transfers shall be released from expenditure limitations and may receive and submit for fund transfers qualifying contributions in excess of six hundred thousand dollars ($600,000). Slates of candidates released from expenditure limitations in a primary or regular election shall continue to be eligible to receive transfers from the fund[~~. A slate of candidates that is released from expenditure limitations in a runoff primary shall not be eligible for transfers from the fund in excess of three hundred thousand dollars ($300,000), but shall be eligible to accept qualifying contributions for the runoff primary~~];

(b) The registry shall conduct a public hearing within three (3) days after any report submitted to the registry by a campaign committee of a slate of candidates indicates that the slate of candidates has, or may have, received contributions or made expenditures in excess of the expenditure limits as provided in KRS 121A.030(1). The registry shall issue a ruling not later than seven (7) days after the public hearing; and

(c) A public hearing shall be conducted within three (3) days upon petition to the registry by a slate of candidates that, based upon its knowledge and belief, another slate of candidates has, or may have, received contributions in excess of the expenditure limitations as provided in KRS 121A.030(1). The registry shall issue a ruling not later than seven (7) days after the public hearing.

(4)[~~(5)~~] Nothing in this section shall prevent any slate of candidates from notifying the registry in writing that its campaign committee has received contributions or made expenditures in excess of the expenditure limitations as provided in KRS 121A.030(1). In that case, no public hearing shall be held and the registry shall certify that those slates of candidates who have elected to become eligible for fund transfers or may in the future elect to become eligible for fund transfers for that election shall be released from expenditure limitations for that election and shall continue to be eligible to receive transfers from the fund if qualified by law.

(5)[~~(6)~~] A slate of candidates shall establish a separate candidate campaign account for each primary[~~, runoff primary,~~] and regular election in which it participates. The unexpended balance of contributions and fund transfers in a candidate campaign account of a slate of candidates which remains after all financial obligations of the particular election for which

the account is established have been satisfied shall be forwarded to the registry for deposit in the fund when the account is closed. The payment to the fund shall be made not later than ten (10) working days after the candidate campaign account for a particular election is closed. Funds in the candidate campaign account of a slate of candidates shall be expended only for expenses incurred in the particular election for which the account is established and shall not be used to pay expenses incurred in any other election or for any other purpose.

(6)[~~(7)~~] To receive fund transfers for which it is eligible, each qualifying slate of candidates shall submit to the registry at the times and in the form and manner the registry may require, a transfer entitlement voucher. The voucher shall include the full name of all persons making a contribution to the campaign committee of the slate of candidates together with the date, the exact amount of the contribution, the specific address of the contributor, the congressional district in which the contributor resides, the occupation and employer of the contributor and the spouse of the contributor, or, if the contributor or the spouse of contributor is self-employed, the name under which he is doing business.

(7)[~~(8)~~] Within three (3) working days of the receipt of the voucher, the registry shall:

(a) Make a determination, according to the procedures the registry may establish by administrative regulation, whether each contribution enumerated on the voucher is consistent with the provisions of this chapter;

(b) Certify for payment to the qualifying slate of candidates the amount of fund transfer for which it is eligible; and

(c) Promptly upon certification, issue a warrant on the fund for a transfer to the qualifying slate of candidates or its authorized treasurer in the amount certified by the registry.

(8)[~~(9)~~] For the purpose of financing primary election campaigns, the registry shall make no transfer to a qualifying slate of candidates entitled to transfers from the fund earlier than January 1 of a year in which the Governor and Lieutenant Governor are elected.

(9)[~~(10)~~] Transfers from the fund for a regular election campaign shall not be made earlier than the date the results of the primary election preceding the regular election of a year in which the Governor and Lieutenant Governor are elected are certified. If a qualifying slate of candidates is unopposed in a primary election, or has no opposition that has received contributions of not less than the threshold qualifying amount for the primary election, the registry shall make no transfer to that slate from the fund for the primary election. If a qualifying slate of candidates is unopposed in a regular election, or has no opposition that has received contributions of not less than the minimum threshold qualifying amount for the regular election, the registry shall make no transfer to that slate from the fund for the regular election.

(10)[~~(11)~~] If a vacancy occurs in a slate of candidates before the ballots are printed for the primary election because of death, disqualification to hold the office sought, or severe disabling condition which arose after the slate formed a campaign committee, the remaining member of the slate may designate a replacement for the vacant candidate or change the composition of the slate and designate a running mate on forms filed with the registry not later than the deadline for printing primary election ballots, but only following certification to the remaining candidate by the Secretary of State that a vacancy exists for a reason specified in this subsection. If a vacancy occurs in a slate of candidates after the ballots are printed for the primary election, the remaining member of the slate may designate a replacement for the vacant candidate or change the composition of the slate and designate a running mate on forms filed with the registry prior to the primary election, but only following certification to the remaining candidate by the Secretary of State that a vacancy exists for a reason specified in this subsection. If a replacement for a vacant candidate is made after the ballots are printed for the primary election because of death, disqualification to hold the office sought, or severe disabling condition which arose after the slate formed a campaign committee, notices informing the voters of the change in the composition of the slate shall be posted at each precinct polling place.

(11)[~~(12)~~] The provisions of KRS 118.105 shall apply to vacancies occurring in the nomination of a qualifying slate of candidates.

(12)[~~(13)~~] If during the course of a primary or regular election, a qualifying slate of candidates withdraws, is otherwise removed from the ballot, becomes the only slate of candidates for a party nomination or election on the ballot, or if both candidates on the slate die, the registry shall certify and pay on vouchers previously submitted by that slate, but any subsequent vouchers submitted by that slate shall not be certified nor shall transfers be made.

(13)[~~(14)~~] The registry shall not certify any contribution made to a qualifying slate of candidates entitled to transfers from the fund, which, when added to other contributions made by the same contributor to the slate in connection with the primary election and in connection with the regular election, violates the provisions of KRS 121A.050 or 121.150.

(14)[~~(15)~~] The registry shall perform a continuing audit of all slates of candidates for Governor and Lieutenant Governor to ensure that they are in compliance with this chapter and the election laws of the Commonwealth.

Section 20. KRS 121A.100 is amended to read as follows:

(1) Any qualifying slate of candidates that elects to receive a transfer from the fund shall participate preceding any primary[~~, runoff primary, if one is held,~~] and regular election in which it participates, in a year in which the Governor and Lieutenant Governor are elected, in a reasonable number of televised candidate forums or debates managed and designed by the Kentucky Authority for Educational Television in a manner to ensure participation by all slates of candidates. However, a qualifying slate of candidates that elects to receive a transfer from the fund shall not be required to participate in more than six (6) televised candidate forums or debates preceding a primary,[~~ one (1) preceding a runoff primary,~~] or six (6)

preceding a regular election. The authority shall make the televised candidate forums or debates available at no charge to all other media. The authority shall promulgate administrative regulations necessary to implement the requirements of this subsection.

(2) All programming decisions concerning televised candidate forums or debates shall be the ultimate responsibility of the Kentucky Authority for Educational Television. The authority shall maintain editorial integrity in accordance with accepted public broadcasting principles. No appointed or elected state officeholder or any other person shall directly or indirectly attempt to secure or create privileges, exemptions, or advantages for himself or others in derogation of the public interest at large in a manner that seeks to leave any person assigned responsibility for candidate forum or debate programming decisions no alternative but to comply with the wishes of the officeholder or person. Persons assigned candidate forum or debate programming decisions shall be free of obligation or the appearance of obligation to any interest other than the public right to know. It shall not be considered a violation of this subsection for an officeholder or other person to seek remedies in a court of law to any programming decision he considers to be an abridgement of his legal rights.

(3) The registry shall promulgate administrative regulations which prescribe the grounds for which failure of a qualifying slate of candidates to participate in any of the televised candidate forums or debates required by subsection (1) of this section shall be excused and the process by which a qualifying slate of candidates shall inform the registry of the grounds for its failure to participate.

(4) If the registry determines that failure of a qualifying slate of candidates to participate in any televised candidate forum or debate required by subsection (1) of this section was not justified, no fund transfer shall be made to the slate for that election if it shall be otherwise qualified to receive one. If the registry determines that a slate that has already received a fund transfer has unjustifiably failed to participate in any required televised candidate forum or debate, the slate's campaign committee shall reimburse the fund the amount of the transfer within thirty (30) days of the date on which the registry's determination becomes final. If the slate's campaign committee has not reimbursed the fund the amount of the transfer within the thirty (30) day period, the slate shall be personally liable to the fund for the transfer amount to be reimbursed. A slate of candidates may appeal an adverse ruling by the registry within twenty (20) days by filing a notice of appeal in the Court of Appeals in accordance with the Rules of Civil Procedure and the appeal of a ruling by the registry shall be advanced on the docket to permit a timely decision.

The Committee Amendment No. 1 to **HB 22** is as follows:

On page 27, line 3, after the word "subsection" by inserting "***(19)***" and by placing brackets around the "(20)" and striking through the same.

On page 27, line 15, after the word "subsection" by inserting "***(19)***" and by placing brackets around the "(20)" and striking through the same.

On page 27, line 21, after the word "subsection" by inserting "***(19)***" and by placing brackets around the "(20)" and striking through the same.

On page 57, line 11, after the word "fund", by deleting the opening bracket in front of the word "in" and placing the opening bracket after the word "in" and by removing the strike through from the word "in".

HB 378, AN ACT relating to elections in cities whose boundaries extend beyond a single county.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 83A.047 is amended to read as follows:

In a city whose boundaries extend beyond those of a single county, candidates for nomination or election to city office shall be governed by the provisions contained in KRS 83A.045, except that all nomination papers shall be filed with the county clerk of the county in which the candidate resides no later than 4 p.m. local time on the day provided for in KRS 83A.045. On the day following the candidate filing deadline, each county clerk shall certify the names of all candidates for city office that filed nomination papers with him or her to the clerk of the other county into which the boundaries of the city extend. ***In the case of a candidate voted for by the electors of a city whose boundaries extend beyond those of a single county, each county clerk shall certify the vote totals for that candidate to the clerk of the other county into which the boundaries of the city extend.***

Section 2. KRS 118.425 is amended to read as follows:

(1) The State Board of Elections shall issue certificates of election where the successful candidate was voted for by the state at large, ***was voted for*** by a district greater than one (1) county,~~[by a city whose boundaries extend beyond those of a single county,]~~ or was a candidate for member of Congress or the General Assembly.

(2) The county board of elections shall issue certificates of election where the successful candidate was voted for by the electors of one (1) county, or of a district less than one (1) county, except members of Congress, members of the General Assembly, and designated officers filing with the State Board of Elections. ***The county board of elections of the candidate's residence shall issue certificates of election where the successful candidate was voted for by the electors of***

a city whose boundaries extend beyond those of a single county. The board shall forward the certificate to the elected candidate. If the board finds that two (2) or more candidates have received the highest and equal number of votes for the same office, the board shall determine by lot which of the candidates is elected.

(3) In the case of all offices voted for, and in the case of public questions submitted to the vote of the people of the state at large or of a district greater than one (1) county, the county board of elections shall make out duplicate certificates of the total number of votes received by each of the candidates for the office and the total number of votes for and against each of the questions. The clerk shall keep one (1) of the certificates in his office. He shall not later than three (3) days after receiving the certificate from the board, forward the other certificate by mail to the Secretary of State who shall deliver it to the State Board of Elections.

(4) The State Board of Elections shall meet, to count and tabulate the votes received by the different candidates as certified to the Secretary of State, when the returns are all in, or on the third Monday after the election whether they are in or not, but if all the returns are not made, the right to contest an election shall not be impaired. A majority of the members of the board shall constitute a quorum and may act. The board shall make out the certificates of election in the office of the board from the returns made. The board shall make out duplicate certificates of election, in writing, over the signatures of its members. The board shall forward the original certificate, by mail, to the elected candidate. The duplicate shall be retained in the office of the board. In the case of the election of a representative in Congress, an additional certificate shall be made and sent, by mail, to the clerk of the House of Representatives.

(5) The certificate of election shall be issued to the candidate receiving the highest number of votes in the territory from which the election is to be made. If two (2) or more persons are found to have received the highest and an equal number of votes for the same office, the election shall be determined by lot in the manner the board directs, in the presence of not less than three (3) other persons. In the case of elections for electors of President and Vice President of the United States, the board shall issue a certificate of election to each elector of the political party or organization whose candidates for President and Vice President received the highest number of votes and the determination by the board that the candidates of any political party or organization for President and Vice President have received the highest number of votes shall constitute a determination that the electors nominated by that party have been elected.

HB 559, AN ACT relating to elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.055 is amended to read as follows:

Subject to KRS 117.0551 to 117.0555:

(1) Each county shall be divided into election precincts by the county board of elections. Each election precinct shall be composed of contiguous and, as nearly as practicable, compact areas having clearly definable boundaries and wholly contained within any larger district. The county board of ***elections***[~~election~~] shall establish precincts so that no boundary of a precinct crosses the boundary of:

(a) The Commonwealth;

(b) A county or urban-county;

(c) A congressional district;

(d) A state senatorial district;

(e) A state representative district;

(f) A justice of the peace or county commissioner's district established under KRS Chapter 67; or

(g) An aldermanic ward established under KRS 83.440.

(2) The county board of elections shall have the authority to draw precinct lines so as to enable more than one (1) precinct to vote at one (1) location. The county board of elections shall review election precinct boundaries as often as necessary. Without exception, they shall review the boundaries of all election precincts exceeding seven hundred (700) votes cast in the last regular election prior to each primary election***, and the State Board of Elections may require a written report at least sixty (60) days prior to the candidate filing deadline set forth in KRS 118.165(1) on each election precinct exceeding seven hundred (700) votes cast in the last regular election***. Consideration to the division of said election precincts should be based on the anticipated growth factor within the specified boundaries; however, the county board of elections shall not be prohibited from dividing election precincts in excess of seven hundred (700) votes cast in the last regular election or less than seven hundred (700) votes cast in the last regular election if they elect to do so. However, the State Board of Elections ***may, in its discretion, withhold from***[~~shall not remit to~~] a county the expenses of an election ***under KRS 117.345 for any precinct containing more than one thousand five hundred (1,500) registered voters, excluding those precincts utilizing optical scan voting machines and those periods of time in which the precinct boundaries have been frozen under KRS 117.056***[~~for any precinct containing less than three hundred fifty (350) registered voters unless the county has received prior approval from the state board to establish a precinct containing less than three hundred fifty (350) registered voters. The State Board of Elections shall provide by administrative regulation under what circumstances an exception shall be granted~~].

(3) No election precinct shall be created, divided, abolished, or consolidated or the boundaries therein changed prior to any primary election to comply with the provisions of KRS 117.055 to 117.0555 and KRS 117.0557 later than the last date prescribed by election law generally for filing notification and declaration forms with the county clerk or Secretary of State. No election precinct shall be created, divided, abolished, or consolidated or the boundaries therein changed prior to any general election to comply with the provisions of KRS 117.055 to 117.0555 and KRS 117.0557 later than the last date prescribed by election law generally for filing certificates or petitions of nomination with the county clerk or Secretary of State.

(4) The county board of elections shall designate the name or number and the boundaries of the election precincts. Each precinct shall contain, as nearly as practicable, an equal number of voters, based on the number of registered voters in the county.

(5) A map and listing of the exact election precinct boundaries shall be filed by the county board of elections with the State Board of Elections, and any changes in boundaries thereafter made shall also be filed with the State Board of Elections. A copy of this map indicating all precinct boundaries within the county shall be included in the election supplies of each precinct.

(6) If the county board of elections fails to perform any of the duties required by KRS 117.055 to 117.0555 and KRS 117.0557:

    (a) The State Board of Elections or any citizen and voter of the county may apply to the Circuit Court of the county for a summary mandatory order requiring the board to perform the duty. Appeals may be taken to the Court of Appeals by either party; and

    (b) The State Board of Elections shall not submit claims for payments to the county under KRS 117.343 and 117.345 until the State Board of Elections determines in writing that the duty has been performed.

(7) The county board of elections shall coordinate all precinct boundary changes with the affected school board, magisterial, and municipal boundaries.

Section 2. KRS 117.355 is amended to read as follows:

(1) Within three (3) days after any primary or general election, the precinct election sheriff shall file a report with the chairman of the county board of elections and with the local grand jury. The report shall include any irregularities observed and any recommendations for improving the election process.

(2) Within ten (10) days after any primary or general election, the county board of elections shall file a report with the State Board of Elections[~~, the Registry of Election Finance~~] and the local grand jury. The report shall include any irregularities of which the county board has knowledge and any recommendations for improving the election process. The report shall also include a breakdown by precinct of the number of voters requiring assistance to vote and the reasons therefor; the number of special ballots cast by category; and any other information required by the state board.

(3) ***Within thirty (30) days after any primary or general election, the county board of elections shall transmit the information required by KRS 117.275(4).***

(4) The State Board of Elections shall issue administrative regulations to prescribe the forms required by this section.

HCR 43, A CONCURRENT RESOLUTION relating to the Second Amendment to the Constitution of the United States.

WHEREAS, the Second Amendment to the Constitution of the United States conveys an inalienable right to all American citizens, such right occupying the same preferred position as all other constitutional rights; and

WHEREAS, unconscionable abridgments of the Second Amendment have been undertaken over the years by state and local governmental bodies, and have been allowed by the courts to stand uncorrected; and

WHEREAS, the framers of the Second Amendment to the Constitution and those who ratified the Second Amendment intended that the individual retain the right to keep and bear arms in order to protect life, liberty, and property and to protect our nation from those who would attempt to destroy our freedom;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein, supports and urges the passage of H. Con. Res. 119 which states "That it is the sense of the Congress that the Constitution provides that all individual citizens have the right to keep and bear arms, which right supersedes the power and authority of any government."

Section 2. That the Clerk of the House send copies of this resolution to each member of the Kentucky delegation to the Congress of the United States.

The Committee on Transportation reported **HB 189,** with Committee Substitutes attached thereto, and **HB 190,** with Committee Substitutes attached thereto, with the expression of opinion that the same should pass. Reported to the Committee on Rules.

The Committee Substitute 2 to **HB 189** is as follows:

HB 189, AN ACT relating to protecting the public safety when licensing operators of commercial motor vehicles and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281A.010 is amended to read as follows:

(1) "Alcohol" means:

(a) Beer, ale, port, or stout and other similar fermented beverages, including sake or similar products, of any name or description containing one-half of one percentum (0.5%) or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute therefor;

(b) Wine of not less than one-half of one percentum (0.5%) of alcohol by volume; or

(c) Distilled spirits, which means that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced; or

(d) Any substance containing ethyl alcohol, hydrated oxide of ethyl, spirit of wine, or any distilled spirits including, but not limited to, ethanol, methanol, propanol, and isopropanol.

(2) "Alcohol concentration" means:

(a) The number of grams of alcohol per one hundred (100) milliliters of blood;

(b) The number of grams of alcohol per two hundred ten (210) liters of breath; or

(c) The number of grams of alcohol per sixty-seven (67) milliliters of urine.

(3) "Cabinet" means the Transportation Cabinet of the Commonwealth of Kentucky.

(4) "Commerce" means:

(a) Any trade, traffic, or transportation within the jurisdiction of the United States between a place in a state and a place outside of the state, including a place outside of the United States; and

(b) Trade, traffic, and transportation in the United States that affects any trade, traffic, and transportation described in paragraph (a) of this subsection.

(5) "Commercial driver's license," or CDL, means a license issued to an individual in accordance with the requirements of this chapter or, if the license is issued by another state in accordance with the Federal Commercial Motor Vehicle Safety Act, to an individual that authorizes the individual to drive any class of commercial motor vehicle.

(6) "Commercial driver's license information system" or CDLIS means the national information system established to serve as a clearinghouse for locating information related to the licensing and identification of commercial motor vehicle drivers.

(7) "Commercial driver's instruction permit" means a permit issued pursuant to KRS 281A.120.

(8) "Commercial motor vehicle," or CMV, means a motor vehicle or combination motor vehicle used in commerce that is:

(a) Designed to carry property and has a gross vehicle weight rating as determined by federal regulation which has been adopted into cabinet administrative regulations pursuant to KRS Chapter 13A;

(b) Designed to transport sixteen (16) or more passengers, including the driver;

(c) Transporting hazardous materials and is required to be placarded in accordance with Title 49, Code of Federal Regulations, Part 172; or

(d) Any other vehicle that is required by cabinet administrative regulation, pursuant to KRS Chapter 13A, to be operated by a licensed commercial driver.

(9) "Controlled substance" means any substance so classified under Section 102(6) of the Controlled Substances Act, 21 U.S.C. sec. 802(6), and includes all substances listed on Schedules I through V, of Title 21, Code of Federal Regulations, Part 1308, as adopted by the Transportation Cabinet by administrative regulation pursuant to KRS Chapter 13A. It shall also include those substances defined or listed in KRS Chapter 218A.

(10) "Conviction" means an unvacated adjudication of guilt, or a determination that a person has violated or failed to comply with the law in a court of original jurisdiction or an authorized administrative tribunal, an unvacated forfeiture of bail or collateral deposited to secure the person's appearance in court, the payment of a fine or court cost, or violation of a condition of release without bail, regardless of whether or not the penalty is rebated, suspended, or probated.

(11) "Disqualification" means a withdrawal, cancellation, suspension, or revocation of the privilege to drive a commercial motor vehicle.

(12) "Drive" means to drive, operate, or be in physical control of a motor vehicle.

(13) "Driver" means any person who drives, operates, or is in physical control of a commercial motor vehicle, or who is required to hold a commercial driver's license.

(14) "Driver's license" means a license issued by a state[~~ or foreign jurisdiction~~] to an individual that authorizes the individual to drive a motor vehicle.

(15) "Employee" means any operator of a commercial motor vehicle, including full-time, regularly employed drivers; casual, intermittent, or occasional drivers; leased drivers and independent, owner-operator contractors while in the course of operating a commercial motor vehicle who are either directly employed by, under lease to, or operating in a manner indicating employment to an employer.

(16) "Employer" means any person, including the United States, a state, or a political subdivision of a state, who owns or leases a commercial motor vehicle, or assigns a person to drive a commercial motor vehicle.

(17) "Felony" means any offense under state or federal law that is punishable by death or imprisonment for at least one (1) year in a correctional facility.

(18)[~~ "Foreign" means outside the fifty (50) United States and the District of Columbia.~~

~~(19)~~] "Gross combination weight rating," or GCWR, is the gross vehicle weight rating of power unit plus the gross vehicle weight rating of any towed unit.

(19)[~~(20)~~] "Gross vehicle weight rating," or GVWR, means the value specified by the manufacturer as the maximum loaded weight of a single, a combination or an articulated vehicle.

(20)[~~(21)~~] "Hazardous materials" means the definition found in Section 103 of the Hazardous Materials Transportation Act, 49 U.S.C. secs. 1801 et seq.

(21)[~~(22)~~] "Highway" shall include any way or place of any nature when any part of it is open to the use of the public as a matter of right, license, or privilege for the use of vehicular traffic.

(22)[~~(23)~~] "Moped" shall have the same meaning as in KRS 186.010(5).

(23)[~~(24)~~] "Motor vehicle" means a vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power used on highways, or any other vehicle required to be registered under the laws of this state, but shall not include any vehicle, machine, tractor, trailer, or semitrailers operated exclusively on a rail.

(24)[~~(25)~~] "NDR" means the national driver register.

(25)[~~(26)~~] "Out-of-service order" means a temporary prohibition against driving a commercial motor vehicle.

(26)[~~(27)~~] "Resident" means a person who has *established Kentucky as his or her state of domicile. Proof of residency shall include, but not be limited to, a deed or property tax bill, utility agreement or utility bill, or rental housing agreement*[~~his actual or habitual place of abode in this state~~].

(27)[~~(28)~~] "School bus" means a vehicle that meets the specification of KRS 156.153 and is designed to transport sixteen (16) or more passengers including the driver.

(28)[~~(29)~~] "Serious traffic violation" means a conviction when operating a commercial motor vehicle of:

(a) Excessive speeding, involving a single charge of any speed fifteen (15) miles per hour or more, above the specified speed limit;

(b) Reckless driving, as defined under state or local law, including conviction of driving a commercial motor vehicle in willful or wanton disregard for the safety of persons or property;

(c) Improper or erratic traffic lane changes;

(d) Following the vehicle ahead too closely;

(e) A violation of any state or local law related to motor vehicle traffic control, other than a parking violation, arising in connection with a fatal accident; or

(f) Any conviction of an offense that requires mandatory suspension under KRS 186.560 or a serious violation as defined by Title 49 of the Code of Federal Regulations Part 383 or as amended by the Federal Highway Administration.

(29)[~~(30)~~] "State" means a state of the United States and the District of Columbia.

(30)[~~(31)~~] "State police" means the Department of State Police of the Commonwealth of Kentucky.

SECTION 2. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

(1) Any person initially applying for, or initially renewing, a Kentucky CDL instruction permit or operator's license, shall be required to undergo a state and national criminal history background check of state and federal wanted or "hot file" records conducted by the Kentucky State Police. All initial and renewal application forms for a Kentucky CDL instruction permit or operator's license shall conspicuously state the following: "STATE LAW REQUIRES A STATE AND NATIONAL CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF APPLYING FOR A KENTUCKY CDL. ANY PERSON WHO REFUSES TO SUBMIT TO A CRIMINAL HISTORY BACKGROUND CHECK SHALL NOT BE ELIGIBLE TO APPLY FOR, OR BE ISSUED, A KENTUCKY CDL."

(2) The results of the state and national criminal history background checks shall be sent to the cabinet for review within seventy-two (72) hours. If circumstances prohibit the results from being sent to the cabinet within seventy-two (72) hours, an applicant for a CDL instruction permit or CDL may continue enrollment in a commercial driver training

program under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A, but the status of the applicant being issued the CDL instruction permit or CDL shall not be determined until the results of the background checks are made available to the cabinet. The cabinet shall inform the applicant and the circuit clerk of persons who, based upon the criminal history background check, are either eligible or ineligible to be issued a CDL instruction permit or CDL.

(3) Any fee charged by the Kentucky State Police to conduct a criminal history background check shall be paid by the applicant and shall not be refundable. Any fee charged to conduct a criminal history background check shall be an amount not greater than the actual cost of processing the request and conducting the search.

(4) The criminal history background checks required by this section shall be in addition to any type of background check that may be required by federal statute, rule, regulation, or order.

SECTION 3. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

A person who is not a resident of Kentucky may be issued a commercial driver's instruction permit and commercial driver's license if the person is currently enrolled in a program offering commercial truck driving under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A.

Section 4. KRS 281A.120 is amended to read as follows:

(1) A commercial driver's instruction permit may be issued to an individual twenty-one (21) years and older who***:***

(a) Has complied with the criminal history background check required by Section 2 of this Act;

(b) Holds a valid automobile~~[Class D]~~ driver's license***;*** and~~[who]~~

(c) Has passed the vision and knowledge tests required for a commercial driver's license of the class vehicle to be driven. Instruction permits shall be class specific.

(2) A commercial driver's instruction permit may be issued to ***a resident***~~[an individual]~~ eighteen (18) years of age who***:***

(a) Has complied with the criminal history background check required by Section 2 of this Act;

(b) Holds a valid automobile Class D driver's license***; and***~~[, who]~~

(c) Has passed the vision and knowledge tests required for a commercial driver's license of the class vehicle to be driven, if the individual only drives a commercial motor vehicle in intrastate commerce and does not drive a school bus or a vehicle hauling hazardous material. The instruction permit shall be class specific and shall contain an "I" restriction noting that the commercial driver is limited to Kentucky intrastate commerce.

(3) A commercial driver's instruction permit shall not be issued ***to a resident*** for a period to exceed six (6) months. Only one (1) renewal or reissuance may be granted within ***a*** two (2) year period for the same class of vehicle. The holder of a commercial driver's instruction permit may, unless otherwise disqualified, drive a commercial motor vehicle on the highways of Kentucky only when accompanied by the holder of a commercial driver's license valid for the type of vehicle driven and who occupies a seat beside the permit holder for the purpose of giving instruction in driving the commercial motor vehicle.

(4) ***A person who is not a resident who is enrolled in a program offering commercial truck driving under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A may be issued a provisional Class D license that allows an applicant to include a commercial driver's instruction permit into a single license that shall be valid for ninety (90) days. The fee for a provisional Class D license shall be the same as for a regular Class D license. A provisional Class D license may be renewed for one (1) ninety (90) day period. A person issued a provisional Class D license under this subsection shall be required to convert the license to a regular Kentucky CDL or return to the person's state of domicile and transfer the Kentucky provisional Class D license to his or her state of domicile. A provisional Class D license issued under this subsection shall not be converted to a regular Class D license unless the applicant satisfies all Kentucky residency requirements.*** A commercial driver's instruction permit shall contain, in addition to other information required by the cabinet, those requirements set forth in KRS 281A.170. The commercial driver's instruction permit shall not contain the permit holder's Social Security number but shall include a color photo of the permit holder.

Section 5. KRS 281A.130 is amended to read as follows:

(1) ***A***~~[No]~~ person shall ***not*** be issued a commercial driver's license unless that person***:***

(a) Is a resident of this state***;***~~[,]~~

(b) Holds a valid operator's license***;***~~[issued pursuant to KRS 186.412 and]~~

(c) Has complied with the provisions of Section 2 of this Act;

(d) Has passed the knowledge and skills tests for driving a commercial motor vehicle which comply with minimum federal standards established by federal regulation enumerated in Title 49, Code of Federal Regulations, Part 383, as adopted by the cabinet***;***~~[,]~~ and

(e) Has satisfied all other safety requirements including those requirements imposed by state law or federal regulation. The tests shall be prescribed and conducted as set forth in KRS 281A.160.~~[The skills test may be waived only in those circumstances where the applicant has complied with KRS 281A.200.]~~

(2) A commercial driver's license, or commercial driver's instruction permit shall not be issued to a person while the person is subject to a disqualification from driving a commercial motor vehicle, or while the person's driver's license or driving privilege is suspended, revoked*,* or canceled in any state or jurisdiction.

(3) A commercial driver's license shall not be issued to a person who has a commercial driver's license issued by any other state[~~ or foreign jurisdiction~~] unless the person first surrenders all such licenses, which shall be returned to the issuing jurisdiction for cancellation.

(4) To ensure that an applicant for a commercial driver's license or instruction permit complies with the requirements of subsections (2) and (3) of this section, ***the circuit clerk shall verify through the*** commercial driver's license information system and national driver register ***that the person applying for a Kentucky CDL does not currently have his or her operator's license or driving privilege suspended or revoked in another licensing jurisdiction. If the person's operator's license or driving privilege is currently suspended or revoked in another licensing jurisdiction, the circuit clerk shall not issue the person a Kentucky CDL until the person resolves the matter in the other licensing jurisdiction and complies with the provisions of this chapter and KRS Chapter 186***[~~shall be contacted prior to the issuance of the license or permit~~].

Section 6. KRS 281A.140 is amended to read as follows:

(1) The application for a commercial driver's license or commercial driver's instruction permit shall include the following information:

(a) The full ***legal*** name, including nicknames, and present ***Kentucky*** resident address of the applicant. If the applicant's mailing address is different from the resident address, the mailing address shall also be included***. If the applicant is not a resident, the application shall include the person's resident address in the person's state of domicile and the address of the Kentucky driver training school where the applicant is currently enrolled;***[~~.~~]

(b) A physical description of the applicant including sex, height, weight, eye color, and race;

(c) The applicant's date of birth;

(d) The applicant's Social Security number;

(e) The applicant's signature;

(f) Certifications including those required by Title 49, Code of Federal Regulations, Part 383.71, paragraph (a) as adopted by the cabinet;

(g) A consent to release driving record information;

(h) A valid Class D operator's license issued pursuant to KRS 186.412;

(i) A birth certificate if the applicant does not hold a valid operator's license at the time of application;

(j) A statement that the applicant has previously been licensed as an operator in another state, if applicable; and

(k)[~~(j)~~] Any other information required by the cabinet.

(2) The cabinet or state police may require any other information needed in order to process the application.

(3) When the holder of a commercial driver's license changes his ***or her*** name or residence, ***the***[~~this~~] information shall be reported to the cabinet within ten (10) days. The holder of a Class A, B, or C license shall make an application for a duplicate license within thirty (30) days of changing his name or address.

(4) Any person whose commercial driver's license has been legitimately lost or destroyed shall make an application for a duplicate***:***

(a) A person applying for the first duplicate within the time period for which the original license was issued, shall apply in the office of the circuit clerk in the county where the person resides. The person shall provide the clerk with proof of the person's identity and a notarized affidavit with a raised seal explaining in detail the loss or destruction of the original license.

(b) A person applying for a second or subsequent duplicate within the time period for which the original license was issued, shall apply to the Transportation Cabinet in Frankfort or a Transportation Cabinet field office. The person shall provide the cabinet with proof of the person's identity and a notarized affidavit with a raised seal explaining in detail the loss or destruction of the previous duplicate issued. The Transportation Cabinet shall, within thirty (30) days of receipt of the application, review the person's proof of identity and affidavit and determine if the person will be issued a duplicate.[~~ He shall furnish by affidavit satisfactory proof substantiating the loss or destruction.~~]

(5) A person who ***is***[~~has been~~] a resident of this state[~~ for thirty (30) days~~] shall not drive a commercial motor vehicle under the authority of a commercial driver's license issued by another jurisdiction.

(6) Any person who knowingly falsifies information or certifications required to obtain a commercial driver's license, a commercial driver's license permit, or a duplicate commercial driver's license subsequent to an administrative hearing conducted in accordance with KRS 186.570, shall be subject to suspension, revocation, or cancellation of his commercial driver's license for a period of at least sixty (60) consecutive days.

Section 7. KRS 281A.150 is amended to read as follows:

(1) Every person seeking a commercial driver's license or a commercial driver's instruction permit shall first apply in person to the circuit clerk of the county in which the applicant resides ***or in the county where the person is enrolled in a driver training school if the applicant is not a resident***. The application shall be in the form prescribed by KRS 281A.140 as provided by the cabinet. Each time a person applies for a commercial driver's license, an instruction permit, or seeks to upgrade or change his commercial driver's license, ***the person***[~~he~~] shall ***be required to:***

(a) Update ***the***[~~his~~] application***;*** and

(b) Submit the appropriate fee to the circuit clerk.

(2) The cabinet shall set fees by administrative regulation, pursuant to KRS Chapter 13A, for the following applications that shall not exceed:

(a) Forty dollars ($40) for each application for a commercial driver's license. The fee shall be based on the class, type of license, endorsement, restriction, or tests to be taken;

(b) Thirty-five dollars ($35) for each application for a commercial driver's instruction permit;

(c) Fifteen dollars ($15) for each application for a change or addition in class or type of license, endorsement, or restriction;

(d) ***Forty dollars ($40) for each application for a duplicate if it is the first duplicate applied for within the time period for which the original license was issued. Sixty dollars ($60) for a second or subsequent duplicate applied for within the time period for which the original license was issued. The fees required for a duplicate shall be in addition to fees charged under subsection (2)(c) of this section***[~~Ten dollars ($10) for each application for a duplicate commercial driver's license~~];

(e) Thirty-five dollars ($35) for each application for renewal of a commercial driver's license;

(f) Sixty dollars ($60) for each application for a transfer of a commercial driver's license; and

(g) Twenty dollars ($20) for each application for a commercial driver's license with an "S" restriction for the following persons:

1. A person who operates a school bus;
2. A person who is employed by a mass transit authority created under the provisions of KRS Chapter 96A;
3. A person who drives a vehicle that is operated under a nonprofit bus certificate established pursuant to KRS 281.619;
4. A person who drives a vehicle registered pursuant to KRS 186.050(6); or
5. A person who drives a fixed route bus system vehicle that is operated by a public entity pursuant to the provisions of KRS Chapter 281.

(3) All fees remitted to the clerk shall be nonrefundable regardless of whether the applicant completes the requirements for a commercial driver's license or is tested.

(4) All fees collected for the issuance of a commercial driver's license or a commercial driver's instruction permit shall be deposited into trust and agency accounts to be used exclusively for the administration and implementation of this chapter, except as prescribed in subsection (5) of this section. The accounts shall not lapse but shall be continuing from year to year.

(5) All fees collected pursuant to this section, shall be allocated between the Transportation Cabinet and Department of State Police, except a fifty cent ($0.50) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license permit. A three dollar ($3) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license.

(6) Any applicant who seeks reinstatement of his commercial driving privilege after a suspension, withdrawal, revocation, or disqualification shall pay a reinstatement fee of fifty dollars ($50) in addition to those fees required by subsection (2) of this section and shall satisfy the requirements of KRS 281A.160. This fee shall not be required if his commercial driving privilege was withdrawn only as a result of the withdrawal of his privilege to drive a noncommercial motor vehicle.

[~~(7) Any person who qualifies for a commercial driver's license under the provisions of KRS 281A.200 shall pay a fee not to exceed sixty-two dollars ($62).~~]

Section 8. KRS 281A.160 is amended to read as follows:

(1) Except as provided in subsection (3) of this section, the State Police shall be responsible for administering both the knowledge and skills test required by KRS 281A.130.

(2) The State Police, upon request of an applicant who has passed both the vision and knowledge tests, may schedule the applicant for the skills test at the first available test date at a test site designated by the State Police but not less than ten

(10) days after the applicant has filed ***the***[~~his~~] application.

(3) The State Police ***may***[~~shall~~] authorize a ***third party***[~~person, including an agency of this or another state, an employer, a private driver training facility, a private institution, or a department, agency, or instrumentality of local government,~~] to administer the skills test specified by this section, if:

(a) The test is the same that would otherwise be administered by the state;[~~ and~~]

(b) The third party has entered into an agreement with this Commonwealth which complies with requirements of Title 49, Code of Federal Regulations, Part 383.75, as adopted by the Transportation Cabinet***; and***

(c) The third party enters a written agreement with the State Police that the State Police shall determine the entity that shall administer the skills test to applicants if:

1. The third party offers a program in commercial truck driving by certificate or contract program through the Kentucky Community and Technical College System; or

2. The third party is licensed under KRS Chapter 165A to offer a program in commercial truck driving.

(4) The State Police shall promulgate administrative regulations under KRS Chapter 13A that establish procedures that ensure an "arms-length" relationship is maintained between a third-party tester and any owner, officer, or employee of any program offering commercial truck driving under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A.

(5)[~~(4)~~] A third-party tester authorized by subsection (3) of this section may provide a vehicle for a person to use during the skills portion of the commercial driver's license exam. If the third-party tester provides a vehicle, he may charge the person taking the skills test a fee of twenty-five dollars ($25) for use of the vehicle.

(6)[~~(5)~~] Applicants shall be permitted to take the knowledge or skills test for a particular class vehicle an unlimited number of times; however, an applicant shall not retest more than one (1) time in any twenty-four (24) hour period. Subject to the provisions of KRS 281A.150, a fee shall be charged for each test that is retaken as a result of a failing score.

(7)[~~(6)~~] An applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of less than one (1) year shall pay the reinstatement fee as prescribed by KRS 281A.150(6) and shall receive his commercial driver's license with all endorsement and restrictions that were in effect at the time of suspension. An applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of one (1) year or more shall submit to the skills, knowledge, and vision tests.

(8)[~~(7)~~] The commissioner of the Kentucky State Police shall promulgate administrative regulations pursuant to the provisions of KRS Chapter 13A to implement the provisions of this section.

Section 9. KRS 281A.170 is amended to read as follows:

(1) The commercial driver's license shall be marked "commercial driver's license" ***and***[~~or~~] "CDL" and shall be, to the maximum extent practicable, tamper proof. It shall include, but is not limited to, the following information:

(a) The name and present resident address of the licensee;

(b) The licensee's color photograph;

(c) A physical description of the licensee including sex, height, weight, and eye color;

(d) The licensee's date of birth;

(e) The licensee's signature;

(f) The class or type of commercial motor vehicle or vehicles that the person is authorized to drive together with any endorsements or restrictions;

(g) The name of this state;

(h) The dates between which the license is valid; and

(i) Any other information required by the cabinet, except for a person's Social Security number.

(2) A commercial driver's license shall be issued with classifications, endorsements, and restrictions. Vehicles that require an endorsement shall not be driven unless the proper endorsement appears on the license and the applicant has passed the knowledge and skills test required by the State Police.

(a) Classifications:

1. Class A - Any combination of vehicles with a gross vehicle weight rating of twenty-six thousand and one (26,001) pounds or more, if the gross vehicle weight rating of the vehicle being towed is in excess of ten thousand (10,000) pounds. Licensees with an "A" classification may with the proper endorsement drive Class B and C vehicles.

2. Class B - Any single vehicle with a gross vehicle weight rating of twenty-six thousand and one (26,001) pounds or more, and any vehicle towing a vehicle not in excess of ten thousand (10,000) pounds. Licensees with a "B" classification may with the proper endorsements drive Class C vehicles.

3. Class C - Any single vehicle with a gross weight rating of less than twenty-six thousand and one (26,001) pounds or any vehicle towing a vehicle with a gross vehicle weight rating not in excess of ten thousand (10,000) pounds which includes:

a. Vehicles designed to transport sixteen (16) or more passengers, including the driver; or

b. Vehicles used in the transportation of hazardous materials which requires the vehicle to be placarded under Title 49, Code of Federal Regulations, Part 172, sub-part F, as adopted by administrative regulations of the cabinet, pursuant to KRS Chapter 13A.

4. Class D - All other vehicles not listed in any other class.

5. Class E - Moped only.

6. Class M - Motorcycles. Licensees with a "M" classification may also drive Class E vehicles.

(b) Endorsements:

1. "H" - Authorizes the driver to operate a vehicle transporting hazardous materials.

2. "T" - Authorizes operation of double trailers and triple trailers in those jurisdictions allowing the operation of triple trailers.

3. "P" - Authorizes operation of vehicles carrying passengers.

4. "N" - Authorizes operation of tank vehicles.

5. "X" - Authorizes operation of combination of hazardous materials and tank vehicle endorsements.

6. "R" - Authorizes operation of all other endorsements not otherwise specified.

(c) Restrictions:

1. "K" - Restricts the driver to operation of vehicles not equipped with airbrakes.

2. "I" - Restricts the driver to Kentucky intrastate commerce driving.

3. "S" - Restricts the driver to school buses, church buses, buses operated by a mass transit authority created under the provisions of KRS Chapter 96A, buses operated under a nonprofit bus certificate established pursuant to KRS 281.619, and fixed route buses operated by a public entity pursuant to the provisions of KRS Chapter 281.

4. "L" - Shall not include a Class "A" bus.

5. "J" - Shall not include a Class "A" or "B" bus.

6. "O" - Shall not include tractor, semitrailer style vehicles.

7. "Z" - Exempt intracity zones for commercial vehicles.

8. "1-13" - Other restrictions.

9. "14" - Restricts the driver to operation of vehicles equipped with an automatic transmission because the person conducted the required skills test in a commercial vehicle equipped with an automatic transmission. A person wanting to remove this restriction in order to operate a vehicle with a manual transmission shall be required to successfully complete a skills test while operating a commercial vehicle equipped with a manual transmission.

(3) Within ten (10) days after issuing a commercial driver's license, the cabinet shall notify the commercial driver's license information system of that fact, providing all information required to ensure identification of the person.

(4) A commercial driver's license issued ***to a resident*** pursuant to this chapter shall expire in four (4) years unless the license was issued[~~ pursuant to the terms of KRS 281A.200, or unless the license was issued~~] to a ***resident***[~~person~~] under the age of twenty-one (21). ***A commercial driver's license issued to a person who is not a resident shall be issued for one (1) year and shall not be renewable. The fee for a commercial driver's license issued to a nonresident shall be the same as the fee charged to a resident.***

(5) A person under the age of twenty-one (21) shall not be licensed to operate a Class A, B, or C vehicle unless he has an "I" restriction. A commercial driver with an "I" restriction shall not drive a commercial motor vehicle in interstate commerce, unless he is exempt pursuant to 49 C.F.R. 391.2. A commercial driver under the age of twenty-one (21) shall not be allowed to operate a school bus or a vehicle transporting hazardous material in intrastate commerce.

(6) The holder of a commercial driver's license shall be considered to hold a valid Kentucky driver's license issued under the provisions of KRS 186.412.

Section 10. KRS 281A.180 is amended to read as follows:

(1) Every person applying for renewal or transfer of a commercial driver's license from another issuing jurisdiction, shall complete an application as required by KRS 281A.140, providing updated information, testing***,*** and required certifications.

(2) If ***a person applies***[~~the applicant~~] for a renewal or transfer ***of a*** commercial driver's license or[~~ if the applicant~~] seeks to add an endorsement, ***or*** has a hazardous materials endorsement and applies to retain the endorsement, he shall provide the required medical certificate and ***take*** the knowledge test for a hazardous materials endorsement[~~ shall be taken~~] again***,***

unless he provides proof that he has taken and passed the hazardous materials knowledge test within the preceding two (2) years.

(3) Every person applying to add an endorsement to his existing commercial driver's license shall complete an application as required by KRS 281A.140, providing updated information and certifications. If the endorsement originally would have required a special knowledge or skills test, he shall successfully complete the test or tests prior to the endorsement being added to his commercial driver's license.

SECTION 11. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

Any person initially renewing a commercial driver's license or adding an endorsement after September 30, 2002, shall apply for the renewal at least thirty (30) days prior to the expiration date of the license. The purpose of the early renewal procedures is to ensure the criminal history background check required under Section 2 of this Act may be completed prior to the expiration date on the license. A person may obtain the information necessary to conduct the criminal history background check from the circuit clerk. If the person has a law enforcement agency other than the Kentucky State Police conduct the background check, the law enforcement agency may charge the person a nonrefundable fee for the service. Any fee charged by any law enforcement agency to conduct a criminal history background check shall be an amount not greater than the actual cost of processing the request and conducting the search.

Section 12. The following KRS section is repealed:

281A.200 Application made between January 1, 1991, and April 1, 1992 -- Expiration -- Fees prorated -- Medical waiver.

Section 13. Section 11 of this Act takes effect September 30, 2002.

Section 14. Whereas the terrorist attacks of September 11, 2001, unveiled a war being waged on America and all Americans, both at home and abroad, by a wide spectrum of terrorists. And whereas United States Government officials have credible information that these cowardly terrorists are attempting to surreptitiously obtain commercial drivers licenses in order to commit criminal acts against the nation's infrastructure by using commercial motor vehicles as weapons of mass destruction. And whereas because the identities of these and future terrorists remain unknown, it is crucial for the Commonwealth to act as quickly as possible to protect its citizens, and by doing so protect all fellow Americans, through the strengthening of state laws governing operators of commercial motor vehicles, an emergency is declared to exist, and Sections 1 to 10 and Section 12 of this Act take effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

The Committee Substitute 2 to **HB 190** is as follows:

HB 190, AN ACT relating to protecting the public safety involving commercial driver training and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 165A.310 is amended to read as follows:

(1) "Proprietary school" or "school" means ***a***[~~any~~] privately owned educational institution, establishment, agency, organization, or person offering or administering a plan, course, or program of instruction in business, trade, technical, industrial, or related areas for which a fee or tuition is charged whether conducted in person, by mail, or by any other method.

(2) "Board" means the State Board for Proprietary Education.

(3) "Cabinet" means the ***Finance and Administration*** Cabinet[~~ for Workforce Development~~].

(4) "Agent" means any person employed by an institution to act as agent, solicitor, broker, or independent contractor to procure students for such school by solicitation of enrollment in any form made at any place other than the main office or principal place of business of the school.

(5) "Degree" means associate degree.

(6) "Person" means an individual, corporation, business trust, estate, partnership, unincorporated association, two (2) or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity.

(7) "School year" is beginning the first day of July and ending the thirtieth day of June next following except when approval shall be suspended or canceled pursuant to the provisions herein.

(8) ***"CDL" means a commercial driver's license as defined in KRS 281A.010.***

(9) "CDL driver training" means a course of study that complies with the provisions of Section 4 of this Act governing the instruction of persons in the operation of commercial motor vehicles.

(10) "CDL driver training school" means any person, firm, partnership, association, educational institution, establishment, agency, organization, or corporation that offers CDL driver training to persons desiring to obtain a Kentucky CDL in order to operate a commercial motor vehicle and for which a fee or tuition is charged.

(11) "Classification" means as established in KRS 281A.170.

(12) "Commercial motor vehicle" means as defined in KRS 281A.010.

(13) "Endorsement" means as established in KRS 281A.170.

(14) "Restrictions" means as established in KRS 281A.170.

(15) "Resident" means any person who has established Kentucky as his or her state of domicile. Proof of residency shall include, but not be limited to, a deed or property tax bill, utility agreement or utility bill, or rental housing agreement.

(16) The definition of a proprietary school shall not include the following:

(a) A school or educational institution supported entirely or partly by taxation from either a local or state source;

(b) A parochial, denominational, or eleemosynary school or institution;

(c) A school or training program which offers instruction solely in the field of an avocation, recreation, or entertainment, as determined by the state board;

(d) A course or courses of instruction or study sponsored by an employer for the training and preparation of its own employees for the benefit of the employer and without charge to the employee; *or*

(e) A school or educational institution licensed or approved by or a course or courses of study or instruction sponsored by the Kentucky Board of Barbering established by KRS 317.430, the Kentucky Board of Hairdressers and Cosmetologists established by KRS 317A.030, the Kentucky Board of Nursing established by KRS 314.121, and the State Board of Embalmers and Funeral Directors of the State of Kentucky established by KRS 316.170.

SECTION 2. A NEW SECTION OF KRS CHAPTER 165A IS CREATED TO READ AS FOLLOWS:

All proprietary schools located or doing business in this state that offer CDL driver training shall be governed by the provisions of this chapter, except for matters governing:

(1) The curriculum which shall be established by the board in consultation with the Kentucky State Police and the Kentucky Community and Technical College System; and

(2) The inspection of CDL driver training school facilities which shall be under the authority of the Kentucky State Police pursuant to Sections 4 and 6 of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 165A IS CREATED TO READ AS FOLLOWS:

(1) All persons initially applying for a license to operate a CDL driver training school or a license as a CDL driver training instructor, shall be required to undergo a state and national criminal history background check conducted by the Kentucky State Police. Application forms for a license to operate a CDL driver training school or a license as a CDL driver training instructor shall conspicuously state the following: "STATE LAW REQUIRES A STATE AND NATIONAL CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF APPLYING FOR THIS LICENSE. ANY PERSON WHO REFUSES TO SUBMIT TO A CRIMINAL HISTORY BACKGROUND CHECK SHALL NOT BE ELIGIBLE TO APPLY FOR, OR BE ISSUED, A LICENSE TO OPERATE A CDL DRIVER TRAINING SCHOOL OR A LICENSE FOR A CDL DRIVER TRAINING INSTRUCTOR."

(2) All applicants shall be required to submit to being fingerprinted in accordance with administrative regulations promulgated by the Kentucky State Police under KRS Chapter 13A. If the applicant is a corporation, the fingerprints of all officers shall be required.

(3) The results of the state and national criminal history background checks shall be sent to the board for review within seventy-two (72) hours. If circumstances prohibit the results from being sent to the board within seventy-two (72) hours, the application shall not be processed further until the results are made available to the board. The board shall inform the applicant if, based upon the criminal history background check, the applicant is either eligible or ineligible to be issued a license to operate a CDL driver training school or a license for a CDL driver training instructor. The board shall promulgate administrative regulations under KRS Chapter 13A specifying the offenses and conditions under which an application shall be denied based upon a criminal history background check.

(4) Any fee charged by the Kentucky State Police to conduct a criminal history background check shall be paid by the applicant and shall not be refundable if, based upon the background check, the board denies the person the right to be issued a license under this chapter. Any fee charged to conduct a criminal history background check shall be an amount not greater than the actual cost of processing the request and conducting the search.

SECTION 4. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

(1) All CDL driver training schools, as defined in Section 1 of this Act, shall offer a minimum one hundred sixty (160) hours of instruction to each student that has never been issued a CDL by any state. Each school shall be required to use the curriculum that has been approved by the State Board for Proprietary Education in consultation with the Kentucky State Police and the Kentucky Community and Technical College System. Each school shall perform an evaluation of each student and determine the student's skill level to operate a commercial motor vehicle as beginner, intermediate, or advanced. The curriculum shall require a minimum number of hours of instruction based upon a student's skill level.

(2) Each school may provide the one hundred sixty (160) hour approved curriculum in a manner that best utilizes the staff and equipment of the school including, but not limited to, nights, weekends, holidays, and hours of operation.

(3) All CDL driver training schools as defined in Section 1 of this Act, may offer a refresher course of instruction to a resident who has one (1) year or more verifiable experience operating a commercial motor vehicle. The schools shall verify and maintain records documenting those students attending a refresher course. A refresher course may be

offered on an hourly basis.

(4) The ratio of students to instructors during a one hundred sixty (160) hour course shall not exceed:

- ***(a) Thirty (30) students to one (1) instructor during classroom instruction;***
- ***(b) Six (6) students to one (1) instructor during off-the-road training; and***
- ***(c) Three (3) students to one (1) instructor during on-the-road training.***

(5) All CDL driver training schools as defined in Section 1 of this Act, shall require each student to undergo a drug test at the time the person applies to enroll in the school.

Section 5. KRS 332.020 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

(1) ***A***[~~No~~] person shall ***not*** operate, conduct, maintain or establish a ***CDL*** driver training school unless ***the person***[~~he~~] holds a valid current license issued by the ***board***[~~cabinet~~]. ***The following persons shall not be allowed to be connected in any capacity whatsoever with a CDL driver training school:***

- ***(a) Any person whose employment duties in any way relate to the issuance of a motor vehicle operator's license under KRS Chapter 186 or 281A;***
- ***(b) Any employee of the board, Justice Cabinet, or Kentucky State Police; and***
- ***(c) Any member of the immediate family of persons identified in paragraphs (a) and (b) of this subsection.***

(2) ***A***[~~No~~] person shall ***not*** operate, conduct, maintain, or establish a ***CDL*** driver training school unless ***the***[~~such~~] school has***:***[~~ in its employ~~]

- ***(a)*** At least one (1) licensed ***CDL*** driver training instructor ***in its employ; and***
- ***(b) At least one (1) commercial motor vehicle owed or leased in the name of the CDL driver training school that is properly registered in the Commonwealth and that has undergone a safety inspection within the past twelve (12) months.***

(3) ***A person shall not continue to operate a CDL driver training school if the board has suspended, revoked, canceled, or refused to renew the school's license.***

(4) ***A***[~~No~~] person shall ***not*** act as an instructor for a ***CDL*** driver training school unless ***the person***[~~he~~] holds a valid current license as an instructor issued by the ***board***[~~cabinet~~] and unless ***the person***[~~he~~] is employed by a licensed ***CDL*** driver training school.

Section 6. KRS 332.030 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

(1) Any person seeking a license to operate, conduct, maintain, or establish a ***CDL*** driver training school shall ***apply***[~~make verified application~~] to the ***board***[~~cabinet~~] on forms prepared and furnished by the ***board***[~~cabinet~~]. The application shall ***include***[~~set forth~~] the following information:

- (a) The title or name of the school***,***[~~ and~~] the names of the owners ***of the school***[~~thereof~~] and, if the owner ***is to*** be a corporation, the names and addresses of the officers ***of the corporation***[~~thereof~~];
- (b) ***Except for corporations*** a statement that the owners of the ***CDL*** driver training school[~~ unless it be a corporation~~] are each 21 years of age or over, are residents of this state, and have been[~~ such~~] for at least one (1) year next preceding the application for ***the CDL driver training school*** license, and are each of good moral character;
- (c) A description of the established place of business together with the hours during which the ***CDL*** driver training school is conducted and a description of the equipment and facilities used in ***CDL*** driver training;
- (d) Evidence of liability insurance coverage of the ***CDL*** driver training school, the instructor, and students of the ***CDL*** driver training school while operating driver training school equipment. ***The***[~~Such~~] insurance shall have minimum limits of not less than $25,000 for bodily injury or death of one (1) person in any one accident and subject to the limit for any one person, $50,000 for bodily injury or death of two (2) or more persons in any one accident and $10,000 for damage to the property of others in any one accident. Evidence of insurance coverage shall also provide that the insurance coverage shall not be canceled except after ***ten(***10***)*** days prior notice in writing by the carrier to the ***board***[~~secretary~~]. Upon request by an applicant, the ***board***[~~Justice Cabinet~~] shall review an application and provide a letter to the applicant that a proposed ***CDL*** driver training school has met all preliminary requirements for approval, except the provisions of this paragraph. The letter may be used by the applicant to help secure the liability insurance coverage needed under this paragraph to obtain a license to operate a school. A letter provided under this paragraph shall not be construed as approval to perform ***CDL*** driver's training or to operate a school.

(2) Each original application for a license to operate a ***CDL*** driver training school and each application for renewal of a license to operate a ***CDL*** driver training school shall be accompanied by the payment of a fee of ***two hundred dollars(***$200***)*** to the ***board***[~~cabinet~~] ***and written proof that the applicant has complied with the criminal history background check required by Section 3 of this Act. The application fee charged under this subsection shall not be refundable if, based upon the background check, the board denies the person the right to be issued a license under this***

chapter.

(3) ***The board shall pay the State Police to inspect and investigate CDL driver training schools under the requirements of subsection (4) of this section. The payment shall be an amount not greater than the actual cost of conducting the inspection and investigation.***

(4) Upon receipt of an application for a license to operate a CDL driver training school, the board shall request the State Police to investigate the person's program and verify the information contained in the application. The State Police shall contact the applicant and make an appointment to inspect the school's facilities. At the time of inspection, the State Police shall verify that the school meets the standards promulgated as administrative regulations under KRS Chapter 13A for license as a CDL driver training school. Upon request, the standards shall be furnished to the school by the board prior to the visit. If the standards are met, the school shall be licensed to offer instruction on how to operate a commercial motor vehicle including classifications, endorsements, and restrictions.

(5) Any person seeking a license to act as a ***CDL*** driver training instructor shall ***apply***[~~make verified application~~] to the ***board***[~~cabinet~~] on forms prepared and furnished by the ***board***[~~cabinet~~] setting forth that the applicant is twenty-one (21) years of age or older; is of good moral character; is a high school graduate or has the equivalent of a high school education, or has equivalent experience; and holds a current and valid operator's license[~~ issued by the cabinet~~].

(6)[~~(4)~~] Each original application for a license as a ***CDL*** driver training instructor and each application for renewal of a license as a ***CDL*** driver training instructor shall be accompanied by the payment of a fee of ***twenty dollars(***$20.00***)*** to the ***board***[~~cabinet~~] ***and written proof that the applicant has complied with the criminal history background check required by Section 3 of this Act. The application fee charged under this subsection shall not be refundable if, based upon the background check, the board denies the person the right to be issued a license under this chapter.***

(7) In making the determination of good moral character under this section, the board shall consider, but shall not be limited to, the following:

(a) If the applicant has been convicted of a crime;

(b) The age of the applicant at the time any criminal conviction was entered;

(c) The length of time that has elapsed since the applicant's last criminal conviction;

(d) The relationship of any crime convicted to the ability of the applicant to operate a CDL driver training school;

(e) Any evidence of rehabilitation after a criminal conviction; and

(f) Opinions of community members concerning the applicant.

Section 7. KRS 332.040 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

(1) Upon receipt of a satisfactory application accompanied by the prescribed fee, the ***board***[~~secretary~~] shall issue a license to the applicant.

(2) If the license is issued to a ***CDL*** driver training school, it shall be ***posted and at all times displayed in a conspicuous place so that all persons visiting the school may readily see the license***[~~prominently displayed on the premises of the school at all times~~].

(3) If the license is issued to a ***CDL*** driver training instructor, ***the person shall carry the license***[~~it shall be carried on the person of the instructor~~] at all times during which ***the person***[~~he~~] is actually giving instruction to any student. Upon request, the instructor shall exhibit the license to any student taking instruction from him ***or her*** and to any other person authorized by law to examine operator's licenses.

Section 8. KRS 332.050 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

(1) Every license issued for the operation of a ***CDL*** driver training school shall expire on June 30 following the date of the issuance unless[~~ sooner~~] revoked or canceled ***by the board***.

(2) Before July 1 of each year every ***CDL*** driver training school shall apply for renewal of its license. The application shall be on forms prepared and furnished by the ***board***[~~cabinet~~].

(3) Every license issued to a ***CDL*** driver training instructor shall expire on June 30 following the date of the issuance unless[~~ sooner~~] revoked or canceled ***by the board***.

(4) Before July 1 of each year every ***CDL*** driver training instructor shall apply for renewal of his ***or her*** license. ***The***[~~Such~~] application shall be on forms prepared and furnished by the ***board***[~~cabinet~~].

(5) All fees collected under this chapter or the ***administrative***[~~rules and~~] regulations adopted pursuant to this chapter shall be paid into the State Treasury and credited to a trust and agency fund to be used in defraying the costs and expenses of the administration of this chapter. No part of this fund shall revert to the general funds of the Commonwealth.

Section 9. KRS 332.060 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

(1) The ***board***[~~secretary~~] shall, upon receipt of satisfactory evidence, suspend, revoke, refuse to issue or refuse to renew the

license of a ***CDL*** driver training school or a ***CDL*** driver training instructor if:

(a) The licensee fails or refuses to comply with the provisions of this chapter or any ***administrative***[~~rule or~~] regulation adopted hereunder;

(b) The licensee has made a false material statement or has concealed a material fact in connection with his ***or her*** application;

(c) The licensee or any partner, or other person directly interested in the ***CDL*** driver training school held a license issued under this chapter which was revoked or suspended and not reinstated;

(d) The licensee has been guilty of a fraudulent practice in attempting to obtain for himself or another a license to operate a motor vehicle;

(e) Written notice of the cancellation of insurance required by ***Section 6 of this Act***[~~KRS 332.030~~] is received by the ***board***[~~secretary~~] and the licensee does not present satisfactory evidence of insurance to the secretary prior to the effective date of the cancellation.

Section 10. KRS 332.070 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

Any person whose license to conduct a ***CDL*** driver training school or any person whose license to give instructions in these schools has been suspended or revoked or the issue or renewal thereof is refused, may request a hearing. The request shall be in writing addressed to the ***board***[~~secretary~~] who shall conduct a hearing thereon as soon as possible. The hearing shall be conducted in accordance with KRS Chapter 13B. Any person may appeal from the final order of the ***board***[~~secretary~~] in the Franklin Circuit Court in accordance with KRS Chapter 13B.

Section 11. KRS 332.080 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

(1) Every ***CDL*** driver training school and ***CDL*** driver training instructor shall maintain records showing the name, address~~,~~ and instruction permit or operator's license number of each person to whom instruction is given. ***The***[~~Such~~] records shall also indicate the type of instruction given and the length of time of ***the***[~~such~~] instruction.

(2) ***The records required by this section shall be maintained in a manner identical to the retention requirements the Kentucky Community and Technical College System complies with for student records under KRS Chapter 171. The records shall also be available for inspection by the board***[~~The records required by this section to be maintained shall be available for inspection by the secretary or his authorized representative~~], but shall otherwise remain confidential.

Section 12. KRS 332.090 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

A CDL[~~No~~] driver training school shall ***not*** be located within three hundred (300) feet of any governmental building in which is carried on any function having to do with the administration of any laws relating to motor vehicles.

Section 13. KRS 332.100 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

The ***board***[~~secretary~~] shall***, within thirty (30) days of the effective date of this Act, promulgate administrative regulations under KRS Chapter 13A governing the following:***

(1) Standards for CDL driver training school office facilities, branch office facilities, classroom facilities, and off-the-road testing facilities;

(2) Conflict of interest by persons associated with a CDL driver training school;

(3) Requirements for the testing and licensing of CDL driver training instructors, including qualifications for classroom instructors and off-the-road and on-the-road instructors;

(4) Maintenance and inspection of student instruction records, including documentation verifying the minimum course hours required under Section 4 of this Act have been completed before the student is issued a release from the CDL driver training school;

(5) A schedule of fees or all charges made by the school including, but not limited to, administrative fees, registration fees, fees for classroom instruction, and fees for off-the-road and on-the-road training;

(6) Contracts and agreements involving CDL driver training schools;

(7) Advertising and solicitation of students by CDL driver training schools;

(8) Inspections of commercial motor vehicles used by CDL driver training schools, including mandatory equipment and out-of-service criteria;

(9) Insurance requirements for commercial motor vehicles used by CDL driver training schools; and

(10) Procedures for the suspension, revocation, nonrenewal, and denial of an application for licensure as a CDL driver training school or licensure as a CDL driver training instructor[~~have the power to make all rules and regulations, consistent with this chapter, necessary to carry out the provisions and purposes of this chapter~~].

Section 14. KRS 332.110 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

(1) This chapter shall not apply to:

(a) Any school or educational institution which offers to full-time, regularly enrolled students as a part of its curriculum a course in driving instruction ***for the purposes of obtaining a Kentucky Class D drivers license issued under KRS Chapter 186;***[~~nor to~~]

(b) Automobile dealers and their salesmen who give instruction without charge to purchasers of motor vehicles***; or***[~~nor to~~]

(c) Employers who give instruction without charge to their employees.

(2) This chapter shall not apply to any college within the Kentucky Community and Technical College System which offers to part-time students a course in drivers' instruction where there is ***not a***[~~no~~] school licensed pursuant to this chapter in the county.

Section 15. KRS 332.990 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

Any person who violates ***Sections 5, 7, 11, or 12 of this Act***[~~KRS 332.020, subsections (2) and (3) of 332.040, 332.080, or 332.090~~] shall be fined not less than $100 nor more than $300 or be imprisoned for not less than ten (10) days nor more than thirty (30) days, or both fined and imprisoned for each offense.

Section 16. The following KRS section is repealed:

332.010 Definitions.

Section 17. All current CDL driver training schools shall comply with the provisions of this Act prior to the school's license being renewed in 2002. All current CDL driver training instructors shall comply with the provisions of this Act prior to the instructor's license being renewed in 2002.

Section 18. Whereas the terrorist attacks of September 11, 2001, unveiled a war being waged on America and all Americans, both at home and abroad, by a wide spectrum of terrorists. And whereas United States Government officials have credible information that these cowardly terrorists are attempting to surreptitiously obtain commercial drivers licenses in order to commit criminal acts against the nation's infrastructure by using commercial motor vehicles as weapons of mass destruction. And whereas because the identities of these and future terrorists remain unknown, it is crucial for the Commonwealth to act as quickly as possible to protect its citizens, and by doing so protect all fellow Americans, through the strengthening of state laws governing the training and licensing of operators of commercial driver training schools and of commercial motor vehicles, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

The Committee on Transportation reported **HB 413,** and **HJR 102** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 413, AN ACT relating to accessible parking registration plates and placards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.459 is amended to read as follows:

(1) When a motor vehicle which is being operated by or for the benefit of the person with a disability who is in the motor vehicle at the time it is being operated is displaying an auto registration plate as provided in KRS 186.041 or 186.042 or 186.0425, an out-of-state or out-of-country registration plate for a person with a disability bearing the international symbol of access, a parking placard issued by any Veterans Administration hospital, or an accessible parking placard issued to a person with a disability as prescribed in KRS 189.456 or 189.458 or by another state or foreign country when the accessible parking placard meets the basic requirements of KRS 189.456 or 189.458, the vehicle may be parked in a parking place designated as accessible to and for the use of a person with a disability.

(2) When parked where a parking limit is imposed, *a*[~~the~~] vehicle ***bearing an accessible parking registrations plate or placard in accordance with subsection (1) of this section*** may be parked for a period of two (2) hours in excess of the legal parking period permitted by local authorities, except where:

(a) Local ordinances or police regulations prohibit parking on a highway for the purpose of creating a fire lane; or

(b) ***Local***[~~Where the~~] ordinances or police regulations provide for the accommodation of heavy traffic during morning, afternoon, or evening hours; or

(c) [~~Where~~]The motor vehicle is parked in such a manner as to clearly be a traffic hazard.

(3) *A*[~~No~~] person shall ***not*** park in a parking area designated as accessible to and for the use of a person with a disability in a motor vehicle not displaying either an auto registration plate as provided in KRS 186.041, 186.042, 186.0425, or an out-of-state registration plate designated for the use of a person with a disability on the rear of the vehicle unless he displays on the dashboard of his motor vehicle an accessible parking placard issued to a person with a disability ***in accordance with subsection (1) of this section***.

(4) *A*[~~No~~] person shall ***not*** park a vehicle displaying an ***accessible parking registration plate or*** accessible parking placard in

a parking area designated as accessible to and for the use of a person with a disability when ***a***~~[the]~~ person with a disability is not in the motor vehicle.

(5)~~[(3)]~~ ***A***~~[No]~~ person shall ***not*** make, issue, possess, or knowingly use any imitation, counterfeit, or transferable placard or license plate for a person with a disability.

Section 2. KRS 186.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 186.020, 186.030, 186.040, 186.045(2), 186.050, 186.056, 186.060, 186.110, 186.130, 186.140, 186.160, 186.170, 186.180(1) to (4)(a), 186.210, 186.230, or KRS 186.655 to 186.680 shall be guilty of a violation.

(2) Any person who violates any of the provisions of KRS 138.465, 186.190, or 186.200 shall be guilty of a Class A misdemeanor.

(3) A person who violates the provisions of KRS 186.450(4) or (5) shall be guilty of a violation. A person who violates any of the other provisions of KRS 186.400 to 186.640 shall be guilty of a Class B misdemeanor.

(4) Any clerk or judge failing to comply with KRS 186.550(1) shall be guilty of a violation.

(5) If it appears to the satisfaction of the trial court that any offender under KRS 186.400 to 186.640 has a driver's license but in good faith failed to have it on his or her person or misplaced or lost it, the court may, in its discretion, dismiss the charges against the defendant without fine, imprisonment, or cost.

(6) Any person who steals a motor vehicle registration plate or renewal decal shall be guilty of a Class D felony. Displaying a canceled registration plate on a motor vehicle shall be prima facie evidence of guilt under this section.

(7) Any person who violates the provisions of KRS 186.1911 shall be guilty of a Class A misdemeanor.

(8) Any person who makes a false affidavit to secure a license plate under KRS 186.172 shall be guilty of a Class A misdemeanor.

(9) Any person who violates any provision of KRS 186.070 or 186.150 shall be guilty of a Class A misdemeanor.

(10) Any person who operates a vehicle bearing a dealer's plate upon the highways of this Commonwealth with intent to evade the motor vehicle usage tax or registration fee shall be guilty of a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.

(11) Any person, other than a licensed dealer or manufacturer, who procures a dealer's plate with intent to evade the motor vehicle usage tax or registration fee shall be guilty of a Class D felony.

(12) Any resident who unlawfully registers, titles, or licenses a motor vehicle in any state other than Kentucky with intent to evade the motor vehicle usage tax or the registration fee shall be guilty of a Class A misdemeanor if the amount of tax due is less than one hundred dollars ($100), or of a Class D felony if the amount of tax due is more than one hundred dollars ($100), and in addition shall be liable for all taxes so evaded with applicable interest and penalties.

(13) Any person who makes a false statement in order to obtain an accessible parking registration plate under KRS 186.042 or 186.0425 shall be guilty of a Class B misdemeanor.

Section 3. KRS 189.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2), and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.285, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, subsection (4) of KRS 189.456, and 189.960 shall be fined not less than twenty dollars ($20) nor more than one hundred dollars ($100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty dollars ($20) nor more than two thousand dollars ($2,000) or imprisoned in the county jail for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (5) of KRS 189.390 shall be fined not less than eleven dollars ($11) nor more than thirty dollars ($30). Neither court costs nor fees shall be taxed against any person violating paragraph (c) of subsection (5) of KRS 189.390.

(2) (a) Any person who violates the weight provisions of KRS 189.212, 189.221, 189.222, 189.226, 189.230, or 189.270 shall be fined two cents ($0.02) per pound for each pound of excess load when the excess is five thousand (5,000) pounds or less. When the excess exceeds five thousand (5,000) pounds the fine shall be two cents ($0.02) per pound for each pound of excess load, but the fine levied shall not be less than one hundred dollars ($100) and shall not be more than five hundred dollars ($500).

(b) Any person who violates the provisions of KRS 189.271 and is operating on a route designated on the permit shall be fined one hundred dollars ($100); otherwise, the penalties in paragraph (a) of this subsection shall apply.

(c) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, 189.490, or the dimension provisions of KRS 189.212, for which another penalty is not specifically provided shall be fined not less than ten dollars ($10) nor more than five hundred dollars ($500).

(d) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the

Department of Vehicle Regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.

(3) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars ($15).

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars ($35) nor more than two hundred dollars ($200).

(4) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100).

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100).

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(5) Any person who violates KRS 189.370 shall for the first offense be fined not less than one hundred dollars ($100) nor more than two hundred dollars ($200) or imprisoned not less than thirty (30) days nor more than sixty (60) days, or both. For each subsequent offense occurring within three (3) years, the person shall be fined not less than three hundred dollars ($300) nor more than five hundred dollars ($500) or imprisoned not less than sixty (60) days nor more than six (6) months, or both. The minimum fine for this violation shall not be subject to suspension. A minimum of six (6) points shall be assessed against the driving record of any person convicted.

(6) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars ($15) in excess of the cost of the repair of the road.

(7) Any person who violates KRS 189.510 or KRS 189.515 shall be fined not less than twenty dollars ($20) nor more than fifty dollars ($50).

(8) Any peace officer who violates subsection (2) of KRS 189.520 shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100).

(9) (a) Any person who violates KRS 189.530(1) shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100), or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.

(b) Any person who violates KRS 189.530(2) shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100).

(10) Any person who violates any of the provisions of KRS 189.550 shall be guilty of a Class B misdemeanor.

(11) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty dollars ($30) nor more than one hundred dollars ($100) for each offense.

(12) The fines imposed by paragraph (a) of subsection (3) and subsections (6) and (7) of this section shall, in the case of a public highway, be paid into the county road fund, and, in the case of a privately owned road or bridge, be paid to the owner. These fines shall not bar an action for damages for breach of contract.

(13) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars ($20) nor more than one hundred dollars ($100) for each offense.

(14) Any person who violates any provision of KRS 189.575 shall be fined not less than twenty dollars ($20) nor more than twenty-five dollars ($25).

(15) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars ($20) nor more than one hundred dollars ($100) for each offense.

(16) Any person who violates restrictions or regulations established by the secretary of transportation pursuant to subsection (3) of KRS 189.231 shall, upon first offense, be fined one hundred dollars ($100) and, upon subsequent convictions, be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisoned for thirty (30) days, or both.

(17) (a) Any person who violates any of the provisions of KRS 189.565 shall be guilty of a Class B misdemeanor.

(b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name the vehicle used in the transportation of inflammable liquids or explosives is licensed, the person shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500). Each violation shall constitute a separate offense.

(18) Any person who abandons a vehicle upon the right-of-way of a state highway for three (3) consecutive days shall be fined not less than thirty-five dollars ($35) nor more than one hundred dollars ($100), or imprisoned for not less than ten (10) days nor more than thirty (30) days.

(19) Every person violating KRS 189.393 shall be guilty of a Class B misdemeanor, unless the offense is being committed by a defendant fleeing the commission of a felony offense which the defendant was also charged with violating and was subsequently convicted of that felony, in which case it is a Class A misdemeanor.

(20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the

penalties prescribed in KRS 17.157.

(21) A person who elects to operate a bicycle in accordance with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of a regulation shall be fined not less than ten dollars ($10) nor more than one hundred dollars ($100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.

(22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both.

(23) Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars ($25) nor more than three hundred dollars ($300).

(24) Any person who violates the provisions of KRS 189.125(3) shall be fined fifty dollars ($50).

(25) Any person who violates the provisions of KRS 189.125(6) shall be fined an amount not to exceed twenty-five dollars ($25).

(26) Any person who violates any of the provisions of KRS 189.125(3), KRS 189.290, KRS 189.300, KRS 189.340, KRS 189.345, KRS 189.370, KRS 189.393, or KRS 189.505, shall, in addition to any other fine imposed by this chapter, pay an additional fee of ten dollars ($10). Funds collected pursuant to this subsection shall be deposited in the traumatic brain injury trust fund, created pursuant to KRS 211.476, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.470 to 211.478.

(27) Fines levied pursuant to this chapter shall be assessed in the manner required by KRS 534.020, in amounts consistent with this chapter. Nonpayment of fines shall be governed by KRS 534.060.

(28) A licensed driver under the age of eighteen (18) charged with a moving violation pursuant to this chapter as the driver of a motor vehicle may be referred, prior to trial, by the court to a diversionary program. The diversionary program under this subsection shall consist of one (1) or both of the following:

  (a) Execution of a diversion agreement which prohibits the driver from operating a vehicle for a period not to exceed forty-five (45) days and which allows the court to retain the driver's operator's license during this period; and

  (b) Attendance at a driver improvement clinic established pursuant to KRS 186.574. If the person completes the terms of this diversionary program satisfactorily the violation shall be dismissed.

(29) Any person who makes a false statement in order to obtain an accessible parking placard under KRS 189.456 or 189.458 shall be guilty of a Class B misdemeanor.

HJR 102, A JOINT RESOLUTION renaming the Paris By-pass in Bourbon County.

WHEREAS, the term "thoroughbred" describes a breed of horse whose ancestry traces back to three foundation sires -- the Darley Arabian, the Godolphin Arabian, and the Byerly Turk; and

WHEREAS, known for their beauty and grace, thoroughbreds are also renown around the world as a breed that can carry weight with sustained speed over extended distances; and

WHEREAS, thoroughbreds are recognized for their superior breeding and over three hundred years have proven their excellence at the race track; and

WHEREAS, in the late 1700's, as racing was rapidly expanding across North America, Colonel Sanders D. Bruce, a Kentuckian who had spent almost a lifetime researching the pedigrees of American thoroughbreds, published the first volume of The American StudBook in 1873; and

WHEREAS, some of the thoroughbred champions of the twentieth century include Colin, Exterminator, Man o' War, Count Fleet, Citation, Native Dancer, Kelso, Secretariat, Forego, Seattle Slew, Affirmed, and Cigar who currently is a resident of the Kentucky Horse Park's Hall of Champions; and

WHEREAS, the Kentucky Horse Park houses the National Horse Center which is a collection of top equine management associations and organizations that believe Kentucky is the ideal setting for their national and state offices; and

WHEREAS, because of Kentucky's rich and proud tradition of breeding and raising some of the finest thoroughbreds that have ever raced in the sport, the Kentucky Horse Park was the only site in the United States during the summer of 2000 that was selected to house the exhibit "Imperial China: The Art of the Horse in Chinese History" -- an exhibit that contained over 350 artifacts valued at more than $100 million dollars and which drew over 200,000 visitors; and

WHEREAS, the thoroughbred industry is a cornerstone of Kentucky's economy, as well as of the Commonwealth's history;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet is directed to rename the Paris By-Pass in Bourbon County the "Thoroughbred Run."

Section 2. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs on the Paris By-Pass that read "Thoroughbred Run."

The Committee on Economic Development reported **HB 15, HB 98, HB 166,** with Committee Substitute attached thereto, **HB 474,** and **HB 549,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 15, AN ACT relating to economic development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.22-010 is amended to read as follows:

The following words and terms as used in KRS 154.22-010 to 154.22-080, unless the context clearly indicates a different meaning, shall have the following meanings:

(1) "Affiliate" means the following:

(a) Members of a family, including only brothers and sisters of the whole or half blood, spouse, ancestors, and lineal descendants of an individual;

(b) An individual, and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for that individual;

(c) An individual, and a limited liability company of which more than fifty percent (50%) of the capital interest or profits are owned or controlled, directly or indirectly, by or for that individual;

(d) Two (2) corporations which are members of the same controlled group, which includes and is limited to:

1. One (1) or more claims of corporations connected through stock ownership with a common parent corporation if:

a. Stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each of the corporations, except the common parent corporation, is owned by one (1) or more of the other corporations; and

b. The common parent corporation owns stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of at least one (1) of the other corporations, excluding, in computing the voting power or value, stock owned directly by the other corporations; or

2. Two (2) or more corporations if five (5) or fewer persons who are individuals, estates, or trusts own stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each person only to the extent the stock ownership is identical with respect to each corporation;

(e) A grantor and a fiduciary of any trust;

(f) A fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts;

(g) A fiduciary of a trust and a beneficiary of that trust;

(h) A fiduciary of a trust and a beneficiary of another trust, if the same person is a grantor of both trusts;

(i) A fiduciary of a trust and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;

(j) A fiduciary of a trust and a limited liability company more than fifty percent (50%) of the capital interest, or the interest in profits, of which is owned directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;

(k) A corporation and a partnership, including a registered limited liability partnership, if the same persons own:

1. More than fifty percent (50%) in value of the outstanding stock of the corporation; and

2. More than fifty percent (50%) of the capital interest, or the profits interest, in the partnership, including a registered limited liability partnership;

(l) A corporation and a limited liability company if the same persons own:

1. More than fifty percent (50%) in value of the outstanding stock of the corporation; and

2. More than fifty percent (50%) of the capital interest or the profits in the limited liability company;

(m) A partnership, including a registered limited liability partnership, and a limited liability company if the same persons own:

1. More than fifty percent (50%) of the capital interest or profits in the partnership, including a registered limited liability partnership; and

2. More than fifty percent (50%) of the capital interest or the profits in the limited liability company;

(n) An S corporation and another S corporation if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation, S corporation designation being the same as that designation under the Internal Revenue Code of 1986, as amended; or

(o) An S corporation and a C corporation, if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation; S and C corporation designations being the same as those designations under the Internal Revenue Code of 1986, as amended.

(2) "Agribusiness" means any activity involving the processing of raw agricultural products, including timber, or the providing of value-added functions with regard to raw agricultural products.

(3) "Electric generation" means the generation of electricity for resale by means of combusting at least fifty percent (50%) of the total fuel used to generate electricity from coal or from gas derived from coal.

(4) "Approved company" means any eligible company seeking to locate an economic development project in a qualified county, which eligible company is approved by the authority pursuant to KRS 154.22-010 to 154.22-080.

(5) "Approved costs" means:

(a) Obligations incurred for labor and to contractors, subcontractors, builders, and materialmen in connection with the acquisition, construction, installation, equipping, and rehabilitation of an economic development project;

(b) The cost of acquiring land or rights in land and any cost incidental thereto, including recording fees;

(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, installation, equipping, and rehabilitation of an economic development project which is not paid by the contractor or contractors or otherwise provided for;

(d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all the duties required by or consequent upon the acquisition, construction, installation, equipping, and rehabilitation of an economic development project;

(e) All costs which shall be required to be paid under the terms of any contract or contracts for the acquisition, construction, installation, equipping, and rehabilitation of an economic development project; and

(f) All other costs of a nature comparable to those described above.

(6) "Assessment" means the job development assessment fee authorized by KRS 154.22-010 to 154.22-080.

(7) "Authority" means the Kentucky Economic Development Finance Authority as created in KRS 154.20-010.

(8) "Bonds" means the revenue bonds, notes, or other debt obligations of the authority authorized to be issued by the authority, eligible companies, or other state agency.

(9) "Commonwealth" means the Commonwealth of Kentucky.

(10) (a) "Economic development project" means and includes:

1. The acquisition of ownership in any real estate in a qualified county by the authority, the approved manufacturing or agribusiness company, or its affiliate;

2. The present ownership of real estate in a qualified county by the approved manufacturing or agribusiness company or its affiliate;

3. The acquisition or present ownership of improvements or facilities, as described in paragraph (b) of this subsection, on land which is possessed or is to be possessed by the approved manufacturing or agribusiness company pursuant to a ground lease having a term of sixty (60) years or more; and

4. The new construction of an electric generation facility.

(b) For purposes of subparagraphs 1. and 2. of paragraph (a) of this subsection, ownership of real estate shall only include fee ownership of real estate and possession of real estate pursuant to a capital lease as determined in accordance with Statement of Financial Accounting Standards No. 13, Accounting for Leases, issued by the Financial Accounting Standards Board, November 1976. With respect to subparagraphs 1., 2., and 3. of paragraph (a) or paragraph (b) of this subsection, the construction, installation, equipping, and rehabilitation of improvements, including fixtures and equipment, and facilities necessary or desirable for improvement of the real estate, including surveys; site tests and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries, and other surface obstructions; filling, grading, and provision of drainage, storm water retention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; off-site construction of utility extensions to the boundaries of the real estate; and the acquisition, installation, equipping, and rehabilitation of manufacturing facilities on the real estate, for use and occupancy by the approved company or its affiliates for manufacturing purposes, electric generation, or for agribusiness purposes. Pursuant to subparagraph 3. of paragraph (a) of this subsection, an economic development project shall not include lease payments made pursuant to a ground lease for purposes of the tax credits provided under the provisions of KRS 154.22-010 to 154.22-080.

(11) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other entity engaged in manufacturing, electric generation, or in agribusiness.

(12) "Final approval" means the action taken by the authority authorizing the eligible company to receive inducements under this subchapter.

(13) "Financing agreement" means any agreement entered into, pursuant to KRS 154.22-010 to 154.22-080, on behalf of the authority or other lenders, or both, and an approved company with respect to an economic development project.

(14) "Inducements" means the assessment and the income tax credits allowed by KRS 154.22-060.

(15) "Manufacturing" means any activity involving the manufacturing, processing, assembling, or production of any property, including the processing resulting in a change in the conditions of the property and any activity related to it, together with the storage, warehousing, distribution, and related office facilities*.*~~[; however,]~~ "Manufacturing" shall ***include the processing, quarrying, mining, or dredging of limestone, but shall not include the mining, processing, or extraction of coal or other minerals***~~[not include mining, coal or mineral processing, or extraction of minerals]~~.

(16) "Preliminary approval" means the action taken by the authority conditioning final approval by the authority upon satisfaction by the eligible company of the requirements under this subchapter.

(17) "Qualified county" means any county certified as such by the authority pursuant to KRS 154.22-010 to 154.22-080.

(18) "Revenues" shall not be considered state funds.

(19) "State agency" shall have the meaning assigned to the term in KRS 56.440(8).

HB 98, AN ACT relating to the area comprising the West Kentucky Corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.85-010 is amended to read as follows:

As used in KRS 154.85-001 to 154.85-085, unless the context otherwise requires:

(1) "Area" or "region" means the geographical area represented by the West Kentucky Corporation, including all the following counties: Allen, Ballard, Barren, Breckinridge, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Edmonson, Fulton, ***Green,*** Graves, Grayson, Hancock, Hardin, Hart, Henderson, Hickman, Hopkins, Larue, Livingston, Logan, Lyon, Marion, Marshall, McCracken, McLean, Meade, Metcalfe, Monroe, Muhlenberg, Nelson, Ohio, Simpson, Spencer, Taylor, Todd, Trigg, Union, Warren, Washington, Webster;

(2) "Board" means the board of directors of the corporation;

(3) "Bonds" or "notes" means revenue bonds, commercial paper revenue bonds, refunding revenue bonds, variable rate revenue bonds, bond anticipation notes, or other obligations issued by the corporation under the authority of KRS 154.85-035 and 154.85-045;

(4) "Committee" means the executive committee of the board of directors of the corporation, possessing all powers, duties, and responsibilities as provided in KRS 154.85-035 and 154.85-040, and as may be otherwise provided by the board;

(5) "Commonwealth" means the Commonwealth of Kentucky;

(6) "Corporation" means the West Kentucky Corporation;

(7) "Executive officer" or "president" means the chief administrator of the corporation having responsibility for its day-to-day operations, and possessing all duties, responsibilities, and authorities as specified by the board or executive committee;

(8) "Fund" means the West Kentucky economic development fund as provided by KRS 154.85-050;

(9) "Local governing body" means the fiscal court of any county within the area or the legislative body of any city represented on the board of the corporation; and

(10) "Project" means any economic or job development activity or program or facility or undertaking located within the area which is planned, developed, implemented, operated, financed, or otherwise assisted by the corporation pursuant to KRS 154.85-001 to 154.85-085.

HB 166, AN ACT relating to economic development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.10-050 is amended to read as follows:

(1) The secretary shall be the chief executive officer of the Cabinet for Economic Development and shall possess the professional qualifications appropriate for that office as determined by the board.

(2) The board shall set the salary of the secretary, which shall be exempt from state employee salary limitations as set forth in KRS 64.640.

(3) The secretary shall be responsible for the day-to-day operations of the cabinet and shall report and submit on an annual basis implementation plans to the board as provided in KRS 154.10-060; submit the strategic plan for economic development to the board in accordance with the provisions of KRS 154.10-120 and 154.10-125; submit program evaluation reports to the board in accordance with the provisions of KRS 154.10-140; carry out policy and program

directives of the board; coordinate programs of the cabinet with all other agencies of state government having economic development responsibilities; hire all other personnel of the cabinet consistent with state law; and carry out all other duties and responsibilities assigned by state law.

(4) The secretary shall prepare and submit the proposed budget of the cabinet to the chairman who shall present it to the board for final approval. Upon approval, the board shall submit the proposed budget to the Governor's Office for Policy and Management.

(5) The secretary shall be reimbursed for all actual and necessary expenses incurred in the performance of all assigned duties and responsibilities.

(6) The secretary shall, in carrying out the duties and responsibilities of the office and in administering the programs in KRS 154.12-216 to 154.12-278, give highest priority consideration in marketing, targeting, and recruiting new businesses, in expanding existing businesses, and in recommending state economic development loans, grants, and incentive programs administered by the authority, to Kentucky counties which have had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

Section 2. KRS 154.12-207 is amended to read as follows:

(1) The corporation may, subject to appropriation from the General Assembly or from funds made available to the corporation from any other public or private source, provide grants-in-aid to educational institutions, and business and industry, not in excess of two hundred thousand dollars ($200,000) per grant-in-aid. Such grants-in-aid shall be used exclusively for programs which are consistent with the provisions of this chapter.

(2) To qualify for a grant-in-aid in which an educational institution will provide training, an educational institution and a business or industry shall submit a joint application to the corporation that contains a proposal for a program of skills training and education; a description of the program; the type of skills training or education to be provided; a statement of the total cost of the program and breakdown of the costs associated with equipment, personnel, facilities, and materials; and with respect to educational institutions only, a statement of the technical assistance and financial support for the program received or pledged from business and industry. To qualify for a grant-in-aid in which a provider other than an educational institution will provide training, the business or industry may independently submit a proposal to the corporation containing the same information as set forth in this subsection.

(3) Approval of the grant-in-aid application by the board, shall be based upon the following criteria:

(a) The program must be within the scope of KRS 154.12-204 to 154.12-208;

(b) Participants in the program must be limited to a Kentucky resident, as the term is defined in KRS 141.010;

(c) The program must involve an area of skills training and education which is needed by business and industry and for which a shortage of qualified individuals exists within the Commonwealth;

(d) The grant-in-aid must be essential to the success of the program as the resources of the educational institution are inadequate to attract the technical assistance and financial support necessary from business and industry;

(e) The educational institution must have obtained a firm commitment from business and industry for the information, technical assistance, and financial support which, together, with the grant-in-aid, the resources of the applicant, and support from any other source, is sufficient to ensure the success of the program. In addition, the commitment of financial support from business and industry shall be equal to or greater than the amount of the requested grant-in-aid;[~~ and~~]

(f) The educational institution must have established adequate auditing procedures and reporting methods for the submission of information and data as required by the corporation***; and***

(g) Participants in the program receive a minimum base wage of seven dollars ($7) per hour without benefits if the business and industry is located in a county of Kentucky which has had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

Section 3. KRS 154.12-2084 is amended to read as follows:

As used in KRS 154.12-2084 to 154.12-2089, unless the context requires otherwise:

(1) "Approved company" means any qualified company seeking to sponsor an occupational upgrade training program or skills upgrade training program for the benefit of one (1) or more of its employees, which is approved by the authority to receive skills training investment credits in accordance with KRS 154.12-2084 to 154.12-2089;

(2) "Approved costs" means:

(a) Fees or salaries required to be paid to instructors who are employees of the approved company, instructors who are full-time, part-time, or adjunct instructors with an educational institution, and instructors who are consultants on contract with an approved company in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company;

(b) Administrative fees charged by educational institutions in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company and specifically approved by the Bluegrass State Skills Corporation;

(c) The cost of supplies, materials, and equipment used exclusively in an occupational upgrade training program or skills upgrade training program sponsored by an approved company;

(d) The cost of leasing a training facility where space is unavailable at an educational institution or at the premises of an approved company in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company;

(e) Employee wages to be paid in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company; and

(f) All other costs of a nature comparable to those described in this subsection;

(3) "Bluegrass State Skills Corporation" means the Bluegrass State Skills Corporation created by KRS 154.12-205;

(4) "Commonwealth" means the Commonwealth of Kentucky;

(5) "Educational institution" means a public or nonpublic secondary or postsecondary institution or an independent provider within the Commonwealth authorized by law to provide a program of skills training or education beyond the secondary school level or to adult persons without a high school diploma or its equivalent;

(6) "Employee" means any person:

(a) Who is currently a permanent full-time employee of the qualified company;

(b) Who has been employed by the qualified company for the last twelve (12) calendar months immediately preceding the filing of the application for skills training investment credits by the qualified company;~~[and]~~

(c) Who is a Kentucky resident, as that term is defined in KRS 141.010***; and***

(d) Who receives a minimum base wage of seven dollars ($7) per hour without benefits if the qualified company is located in a county of Kentucky which has had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

For purposes of this subsection, a "full-time employee" means an employee who has been employed by the qualified company for a minimum of thirty-five (35) hours per week for more than two hundred fifty (250) work days during the most recently ended calendar year and is subject to the tax imposed by KRS 141.020;

(7) "Occupational upgrade training" means employee training sponsored by a qualified company that is designed to qualify the employee for a promotional opportunity with the qualified company;

(8) "Preliminarily approved company" means a qualified company seeking to sponsor an occupational upgrade training program or skills upgrade training program, which has received preliminarily approval from the authority under KRS 154.12-2088 to receive a certain maximum amount of skills training investment credits;

(9) "Qualified company" means any person, corporation, limited liability company, partnership, limited partnership, registered limited liability partnership, sole proprietorship, firm, enterprise, franchise, association, organization, holding company, joint stock company, professional service corporation, or any other legal entity through which business is conducted that has been actively engaged in any of the following qualified activities within the Commonwealth for not less than three (3) consecutive years: manufacturing, including the processing, assembling, production, or warehousing of any property; processing of agricultural and forestry products; telecommunications; health care; product research and engineering; tool and die and machine technology; mining; tourism and operation of facilities to be used in the entertainment, recreation, and convention industry; and transportation in support of manufacturing. Notwithstanding the provisions of this subsection, any company whose primary purpose is the sale of goods at retail shall not constitute a qualified company;

(10) "Skills upgrade training" means employee training sponsored by a qualified company that is designed to provide the employee with new skills necessary to enhance productivity, improve performance, or retain employment including, but not limited to, technical and interpersonal skills training, and training that is designed to enhance the computer skills, communication skills, problem solving, reading, writing, or math skills of employees who are unable to function effectively on the job due to deficiencies in these areas, are unable to advance on the job, or who risk displacement because their skill deficiencies inhibit their training potential for new technology; and

(11) "Skills training investment credit" means the credit against Kentucky income tax imposed by KRS 141.020 or 141.040, as provided in KRS 154.12-2086(1).

Section 4. KRS 154.20-170 is amended to read as follows:

(1) Industrial entities, agricultural business entities, business enterprises, or private sector firms which are members of a business network within the meaning of KRS 154.01-010 in a targeted industrial sector as set forth in the state strategic plan for economic development as prescribed in KRS 154.10-120, and businesses that compose the secondary wood products industry as defined in KRS 154.47-005(10), shall be given priority consideration under state economic development loan, grant, and incentive programs administered by the Kentucky Economic Development Finance Authority.

(2) Notwithstanding the provisions of subsection (1) of this section, highest priority consideration under state economic development loan, grant, and incentive programs administered by the authority shall be given to those projects that are located in counties of Kentucky which have had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

The Committee Substitute to **HB 166** is as follows:

HB 166, AN ACT relating to economic development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.10-050 is amended to read as follows:

(1) The secretary shall be the chief executive officer of the Cabinet for Economic Development and shall possess the professional qualifications appropriate for that office as determined by the board.

(2) The board shall set the salary of the secretary, which shall be exempt from state employee salary limitations as set forth in KRS 64.640.

(3) The secretary shall be responsible for the day-to-day operations of the cabinet and shall report and submit on an annual basis implementation plans to the board as provided in KRS 154.10-060; submit the strategic plan for economic development to the board in accordance with the provisions of KRS 154.10-120 and 154.10-125; submit program evaluation reports to the board in accordance with the provisions of KRS 154.10-140; carry out policy and program directives of the board; coordinate programs of the cabinet with all other agencies of state government having economic development responsibilities; hire all other personnel of the cabinet consistent with state law; and carry out all other duties and responsibilities assigned by state law.

(4) The secretary shall prepare and submit the proposed budget of the cabinet to the chairman who shall present it to the board for final approval. Upon approval, the board shall submit the proposed budget to the Governor's Office for Policy and Management.

(5) The secretary shall be reimbursed for all actual and necessary expenses incurred in the performance of all assigned duties and responsibilities.

(6) The secretary shall, in carrying out the duties and responsibilities of the office and in administering the programs in KRS 154.12-216 to 154.12-278, give highest priority consideration in marketing, targeting, and recruiting new businesses, in expanding existing businesses, and in recommending state economic development loans, grants, and incentive programs administered by the authority, to Kentucky counties which have had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

Section 2. KRS 154.12-207 is amended to read as follows:

(1) The corporation may, subject to appropriation from the General Assembly or from funds made available to the corporation from any other public or private source, provide grants-in-aid to educational institutions, and business and industry, not in excess of two hundred thousand dollars ($200,000) per grant-in-aid. Such grants-in-aid shall be used exclusively for programs which are consistent with the provisions of this chapter.

(2) To qualify for a grant-in-aid in which an educational institution will provide training, an educational institution and a business or industry shall submit a joint application to the corporation that contains a proposal for a program of skills training and education; a description of the program; the type of skills training or education to be provided; a statement of the total cost of the program and breakdown of the costs associated with equipment, personnel, facilities, and materials; and with respect to educational institutions only, a statement of the technical assistance and financial support for the program received or pledged from business and industry. To qualify for a grant-in-aid in which a provider other than an educational institution will provide training, the business or industry may independently submit a proposal to the corporation containing the same information as set forth in this subsection.

(3) Approval of the grant-in-aid application by the board, shall be based upon the following criteria:

(a) The program must be within the scope of KRS 154.12-204 to 154.12-208;

(b) Participants in the program must be limited to a Kentucky resident, as the term is defined in KRS 141.010;

(c) The program must involve an area of skills training and education which is needed by business and industry and for which a shortage of qualified individuals exists within the Commonwealth;

(d) The grant-in-aid must be essential to the success of the program as the resources of the educational institution are inadequate to attract the technical assistance and financial support necessary from business and industry;

(e) The educational institution must have obtained a firm commitment from business and industry for the information, technical assistance, and financial support which, together, with the grant-in-aid, the resources of the applicant, and support from any other source, is sufficient to ensure the success of the program. In addition, the commitment of financial support from business and industry shall be equal to or greater than the amount of the requested grant-in-aid;[~~ and~~]

(f) The educational institution must have established adequate auditing procedures and reporting methods for the submission of information and data as required by the corporation*; and*

(g) Ninety percent (90%) of the participants receive a base hourly wage which is one hundred fifty percent (150%) of the federal minimum wage plus employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, if the business and industry is located in a county of Kentucky which has had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

Section 3. KRS 154.12-2084 is amended to read as follows:

As used in KRS 154.12-2084 to 154.12-2089, unless the context requires otherwise:

(1) "Approved company" means any qualified company seeking to sponsor an occupational upgrade training program or skills upgrade training program for the benefit of one (1) or more of its employees, which is approved by the authority to receive skills training investment credits in accordance with KRS 154.12-2084 to 154.12-2089;

(2) "Approved costs" means:

(a) Fees or salaries required to be paid to instructors who are employees of the approved company, instructors who are full-time, part-time, or adjunct instructors with an educational institution, and instructors who are consultants on contract with an approved company in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company;

(b) Administrative fees charged by educational institutions in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company and specifically approved by the Bluegrass State Skills Corporation;

(c) The cost of supplies, materials, and equipment used exclusively in an occupational upgrade training program or skills upgrade training program sponsored by an approved company;

(d) The cost of leasing a training facility where space is unavailable at an educational institution or at the premises of an approved company in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company;

(e) Employee wages to be paid in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company; and

(f) All other costs of a nature comparable to those described in this subsection;

(3) "Bluegrass State Skills Corporation" means the Bluegrass State Skills Corporation created by KRS 154.12-205;

(4) "Commonwealth" means the Commonwealth of Kentucky;

(5) "Educational institution" means a public or nonpublic secondary or postsecondary institution or an independent provider within the Commonwealth authorized by law to provide a program of skills training or education beyond the secondary school level or to adult persons without a high school diploma or its equivalent;

(6) "Employee" means any person:

(a) Who is currently a permanent full-time employee of the qualified company;

(b) Who has been employed by the qualified company for the last twelve (12) calendar months immediately preceding the filing of the application for skills training investment credits by the qualified company;[~~ and~~]

(c) Who is a Kentucky resident, as that term is defined in KRS 141.010*; and*

(d) Who receives a base hourly wage which is one hundred fifty percent (150%) of the federal minimum wage plus employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, if the qualified company is located in a county of Kentucky which has had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

For purposes of this subsection, a "full-time employee" means an employee who has been employed by the qualified company for a minimum of thirty-five (35) hours per week for more than two hundred fifty (250) work days during the most recently ended calendar year and is subject to the tax imposed by KRS 141.020;

(7) "Occupational upgrade training" means employee training sponsored by a qualified company that is designed to qualify the employee for a promotional opportunity with the qualified company;

(8) "Preliminarily approved company" means a qualified company seeking to sponsor an occupational upgrade training

program or skills upgrade training program, which has received preliminarily approval from the authority under KRS 154.12-2088 to receive a certain maximum amount of skills training investment credits;

(9) "Qualified company" means any person, corporation, limited liability company, partnership, limited partnership, registered limited liability partnership, sole proprietorship, firm, enterprise, franchise, association, organization, holding company, joint stock company, professional service corporation, or any other legal entity through which business is conducted that has been actively engaged in any of the following qualified activities within the Commonwealth for not less than three (3) consecutive years: manufacturing, including the processing, assembling, production, or warehousing of any property; processing of agricultural and forestry products; telecommunications; health care; product research and engineering; tool and die and machine technology; mining; tourism and operation of facilities to be used in the entertainment, recreation, and convention industry; and transportation in support of manufacturing. Notwithstanding the provisions of this subsection, any company whose primary purpose is the sale of goods at retail shall not constitute a qualified company;

(10) "Skills upgrade training" means employee training sponsored by a qualified company that is designed to provide the employee with new skills necessary to enhance productivity, improve performance, or retain employment including, but not limited to, technical and interpersonal skills training, and training that is designed to enhance the computer skills, communication skills, problem solving, reading, writing, or math skills of employees who are unable to function effectively on the job due to deficiencies in these areas, are unable to advance on the job, or who risk displacement because their skill deficiencies inhibit their training potential for new technology; and

(11) "Skills training investment credit" means the credit against Kentucky income tax imposed by KRS 141.020 or 141.040, as provided in KRS 154.12-2086(1).

Section 4. KRS 154.20-170 is amended to read as follows:

(1) Industrial entities, agricultural business entities, business enterprises, or private sector firms which are members of a business network within the meaning of KRS 154.01-010 in a targeted industrial sector as set forth in the state strategic plan for economic development as prescribed in KRS 154.10-120, and businesses that compose the secondary wood products industry as defined in KRS 154.47-005(10), shall be given priority consideration under state economic development loan, grant, and incentive programs administered by the Kentucky Economic Development Finance Authority.

(2) Notwithstanding the provisions of subsection (1) of this section, highest priority consideration under state economic development loan, grant, and incentive programs administered by the authority shall be given to those projects that are located in counties of Kentucky which have had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.

HB 474, AN ACT relating to wage and hour.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 337.285 is amended to read as follows:

No employer shall employ any of his employees for a work week longer than forty (40) hours, unless such employee receives compensation for his employment in excess of forty (40) hours in a work week at a rate of not less than one and one-half (1-1/2) times the hourly wage rate at which he is employed. This provision does not apply to employees of retail stores engaged in work connected with selling, purchasing, and distributing merchandise, wares, goods, articles, or commodities or to employees of restaurant, hotel, and motel operations, to employees as defined and exempted from the overtime provision of the Fair Labor Standards Act in Sections 213(b)(1), *213(b)(6),* 213(b)(10) and 213(b)(17) of Title 29, U.S.C., or to employees whose function is to provide twenty-four (24) hour residential care on the employer's premises in a parental role to children who are primarily dependent, neglected, and abused and who are in the care of private nonprofit childcaring facilities licensed by the Cabinet for Health Services under KRS 199.640 to 199.670.

HB 549, AN ACT relating to local industrial development authorities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.50-320 is amended to read as follows:

(1) The purpose, duties, and powers of the authority shall be to:

  (a) Acquire, retain, and develop land for industrial and commercial purposes in Kentucky; aid in the development and promotion of industrial sites, parks, and subdivisions to meet industrial and commercial needs in Kentucky.

  (b) Encourage the acquisition, retention, and development of land for industrial and commercial needs in Kentucky by other local development organizations, both public and private.

  (c) Cooperate with the United States Army Corps of Engineers and other federal agencies in formulating development plans and in acquiring and developing land for industrial and commercial purposes in accordance with these plans.

(d) Acquire by contract, lease, purchase, gift, condemnation, or otherwise any real or personal property, or rights therein, necessary or suitable for establishing industrial sites, parks, or subdivisions. The authority may dispose of any real or personal property, or rights therein, which in the opinion of the authority are no longer needed to carry out the purposes of KRS 154.50-301 to 154.50-346. The authority may lease, sell, or convey any or all industrial sites, parks, and subdivisions owned or optioned by it to any public or private organization, governmental unit, or industry for the purpose of constructing and/or operating any manufacturing, industrial, or commercial facility. Provided, however, that no sale or conveyance of any land shall be made to a private organization or industry without such organization or industry first having executed a written contract with the authority providing that if no actual construction of ***a manufacturing,***[~~an~~] industrial***, or commercial*** facility***, as set forth in the executed contract,*** is commenced within ten (10) years, the organization or industry shall ***offer to*** reconvey the land, free and clear of liens and encumbrances, to the authority, and ***should*** the authority ***accept the offer of reconveyance, it*** shall return to the organization or industry ninety-five percent (95%) of the purchase price paid therefor.

(2) Upon the adoption by the authority of a resolution reciting that property is needed for industrial sites, parks, and subdivisions and cannot be acquired by negotiation and purchase at its fair market value, the governmental units in which such land is located may direct and institute condemnation proceedings in the name of such governmental units, for the use and benefit of the authority. The procedure for condemnation shall conform to the procedure set out in the Eminent Domain Act of Kentucky. Upon acquisition of the property, the governmental unit shall convey the property to the authority upon payment by the authority to the governmental unit of an amount of money equal to the judgment and costs paid by the governmental unit.

(3) The authority may dispose of any real or personal property, or rights therein, which it determines to be surplus property remaining after the acquisition or development of an industrial site, park, or subdivision, or which the authority determines to be without value in the promotion of its purposes. Any such property shall be disposed of at the fair market value as determined by an independent and recent appraisal. In addition, the property may be exchanged for other property suitable for development under KRS 154.50-301 to 154.50-346.

The Committee Substitute to **HB 549** is as follows:

HB 549, AN ACT relating to local industrial development authorities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.50-320 is amended to read as follows:

(1) The purpose, duties, and powers of the authority shall be to:

(a) Acquire, retain, and develop land for industrial and commercial purposes in Kentucky; aid in the development and promotion of industrial sites, parks, and subdivisions to meet industrial and commercial needs in Kentucky.

(b) Encourage the acquisition, retention, and development of land for industrial and commercial needs in Kentucky by other local development organizations, both public and private.

(c) Cooperate with the United States Army Corps of Engineers and other federal agencies in formulating development plans and in acquiring and developing land for industrial and commercial purposes in accordance with these plans.

(d) Acquire by contract, lease, purchase, gift, condemnation, or otherwise any real or personal property, or rights therein, necessary or suitable for establishing industrial sites, parks, or subdivisions. The authority may dispose of any real or personal property, or rights therein, which in the opinion of the authority are no longer needed to carry out the purposes of KRS 154.50-301 to 154.50-346. The authority may lease, sell, or convey any or all industrial sites, parks, and subdivisions owned or optioned by it to any public or private organization, governmental unit, or industry for the purpose of constructing and/or operating any manufacturing, industrial, or commercial facility. Provided, however, that no sale or conveyance of any land shall be made to a private organization or industry without such organization or industry first having executed a written contract with the authority providing that if no actual construction of ***a manufacturing,***[~~an~~] industrial***, or commercial*** facility***, as set forth in the executed contract,*** is commenced within ten (10) years, the organization or industry shall ***offer to*** reconvey the land, free and clear of liens and encumbrances, to the authority, and ***should*** the authority ***accept the offer of reconveyance, it*** shall return to the organization or industry ninety-five percent (95%) of the purchase price paid therefor.

(2) Upon the adoption by the authority of a resolution reciting that property is needed for industrial sites, parks, and subdivisions and cannot be acquired by negotiation and purchase at its fair market value, the governmental units in which such land is located may direct and institute condemnation proceedings in the name of such governmental units, for the use and benefit of the authority. The procedure for condemnation shall conform to the procedure set out in the Eminent Domain Act of Kentucky. Upon acquisition of the property, the governmental unit shall convey the property to the authority upon payment by the authority to the governmental unit of an amount of money equal to the judgment and costs paid by the governmental unit.

Calendar

HB 191, HB 296, HB 329, HB 402, HB 505, HB 522, HB 528, HB 532, HB 165, HB 375, HB 372, HJR 30, HB 116, HB 436, HB 456, HB 511, HB 77, HB 87, HB 119, HB 198, HB 242, HB 333, HB 394, and **HB 487** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for a Committee on Rules Report. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 154, HB 293, HB 341, HB 191, HB 394, HB 456, HB 522, HB 532,** and **HJR 30** have been posted for passage in the Orders of the Day for February 8, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 375, HB 402**

Orders of the Day

HB 299, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved the adoption of the Committee Substitute to **HB 299**. Agreed.

Representative Rasche moved that **HB 299**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 99, Nays 0**. (See February 7, 2002, roll call on **HB 299** - Appendix.)

HB 299, by way of Committee Substitute, was passed and the title agreed to.

Representative Rasche moved that the vote by which **HB 299**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 4, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Yonts moved the adoption of the Committee Substitute to **HB 4**. Agreed.

Representative Yonts moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 4**. Agreed.

Representative Yonts moved that **HB 4**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 99, Nays 0**. (See February 7, 2002, roll call on **HB 4** - Appendix.)

HB 4, by way of Committee Substitute, as amended, was passed.

Representative Yonts moved the adoption of Floor Amendment No. 1 Title to **HB 4**. Agreed.

Representative Yonts moved that the vote by which **HB 4**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 458 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Turner moved that **HB 458** be passed.

On the roll call the vote was: **Yeas 98, Nays 0**. (See February 7, 2002, roll call on **HB 458** - Appendix.)

HB 458 was passed and the title agreed to.

Representative J. Turner moved that the vote by which **HB 458** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 38 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Crimm moved that **HCR 38** be adopted.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 7, 2002, roll call on **HCR 38** - Appendix.)

HCR 38 was adopted.

Representative Crimm moved that the vote by which **HCR 38** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 207, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jenkins moved the adoption of the Committee Substitute to **HB 207**. Agreed.

Representative Jenkins moved the adoption of Floor Amendment No. 4 to the Committee Substitute to **HB 207**. Agreed.

Representative Jenkins moved that **HB 207**, by way of Committee Substitute, as amended, be passed.

Representative Hoover moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 207**. Floor Amendment No. 2 to **HB 207** was rejected by voice vote.

Representative Hoover inquired as to whether two people had called for a roll call vote.

The Chair said he did not hear a request for a roll call but will allow for a roll call vote.

On the roll call the vote was: **Yeas 42, Nays 42.** Floor Amendment No. 2 was rejected. (See February 7, 2002, roll call on **HB 207** - Appendix.),

On the roll call on the motion that **HB 207**, by way of Committee Substitute, as amended be passed the vote was: **Yeas 70, Nays 27**. (See February 7, 2002, roll call on **HB 207** - Appendix.)

HB 207, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Jenkins moved that the vote by which **HB 207**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 322 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved that **HB 322** be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 7, 2002, roll call on **HB 322** - Appendix.)

HB 322 was passed and the title agreed to.

Representative L. Clark moved that the vote by which **HB 322** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 466 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Vincent moved that **HB 466** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 7, 2002, roll call on **HB 466** - Appendix.)

HB 466 was passed and the title agreed to.

Representative Vincent moved that the vote by which **HB 466** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 488 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stein moved that **HB 488** be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 7, 2002, roll call on **HB 488** - Appendix.)

HB 488 was passed and the title agreed to.

Representative Stein moved that the vote by which **HB 488** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 62 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Graham moved that **HCR 62** be adopted.

On the roll call the vote was: **Yeas 92, Nays 0**. (See February 7, 2002, roll call on **HCR 62** - Appendix.)

HCR 62 was adopted.

Representative Graham moved that the vote by which **HCR 62** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 70 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved that **HCR 70** be adopted.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 7, 2002, roll call on **HCR 70** - Appendix.)

HCR 70 was adopted.

Representative Gray moved that the vote by which **HCR 70** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 71 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved that **HCR 71** be adopted.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 7, 2002, roll call on **HCR 71** - Appendix.)

HCR 71 was adopted.

Representative Gray moved that the vote by which **HCR 71** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 72 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved that **HCR 72** be adopted.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 7, 2002, roll call on **HCR 72** - Appendix.)

HCR 72 was adopted.

Representative Gray moved that the vote by which **HCR 72** was adopted be reconsidered and said motion be placed on the table. Agreed.

SB 54 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **SB 54** be passed.

On the roll call the vote was: **Yeas 94, Nays 3**. (See February 7, 2002, roll call on **SB 54** - Appendix.)

SB 54 was passed and the title agreed to.

Representative Thomas moved that the vote by which **SB 54** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 42 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved that **HCR 42** be adopted.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 7, 2002, roll call on **HCR 42** - Appendix.)

HCR 42 was adopted.

Representative L. Clark moved that the vote by which **HCR 42** was adopted be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended for Introductions of new bills and Committee Reports. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 617, by Representatives Damron and DeWeese: AN ACT relating to medical practice.

HB 618, by Representatives P. Clark, Bratcher, Tapp, L. Belcher, Thompson, and Weaver: AN ACT relating to vehicle emission testing.

HB 619, by Representatives Horlander, Heleringer, P. Clark, Wayne, Jenkins, Meeks, Burch, Marzian, Miller, Riner, De. Butler, and Riggs: AN ACT relating to appointments to boards and commissions in a consolidated local government.

HB 620, by Representatives Callahan and Draud: AN ACT relating to audits of school district cooperatives.

HB 621, by Representative Rasche: AN ACT relating to school assessment and accountability.

HB 622, by Representatives Gray, Heleringer, Nunn, Crimm, J. Adams, Palumbo, Bowling, S. Lee, Weaver, Allen, Burch, Rader, Crenshaw, Napier, De. Butler, J. Turner, J. Arnold, Callahan, Comer, Collins, Jenkins, Hoover, Kerr, Geveden, Cherry, Stumbo, Damron, C. Belcher, and A. Arnold: AN ACT relating to the Judicial Form Retirement System.

HR 117, by Representative Meeks: A RESOLUTION honoring Father George Clements for his tireless devotion to the human race and adjourning in his honor.

HR 118, by Representative Meeks: A RESOLUTION recognizing and commending the appointment of Regena L. Thomas as the 31st Secretary of State in New Jersey.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Education: **HB 443, HJR 25**

Seniors, Military Affairs and Public Safety: **HB 381, HB 200**

State Government: **HR 107, HCR 109, HJR 111, HB 530, HB 545, HB 574, HB 589, HB 590, HB 599, HB 607**

The Clerk announced that the following Bill has been withdrawn from posting for Committee consideration:

State Government: **HB 366**

Report of Committees (Continued)

The Committee on Agriculture and Small Business reported **HB 40,** with Committee Substitute and Committee Amendment attached thereto, with the expression of opinion that the same should pass. Referred to the Committee on Rules.

The Committee Substitute to **HB 40** is as follows:

HB 40, AN ACT relating to biodiesel fuel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 363.900 TO 363.908 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "biodiesel fuel" means a biodegradable, combustible liquid fuel derived from renewable fats and vegetable oils that meets ASTM specification PS 121-99 and is suitable for blending with petroleum-based diesel fuel for use in diesel engines.

(2) All diesel fuel sold or offered for sale in the Commonwealth on or after January 1, 2006, and reformulated to achieve the federally mandated sulfur reduction requirements shall use biodiesel to meet those requirements.

Section 2. During the 2005 legislative interim, the Interim Joint Committee on Agriculture and Natural Resources shall examine the effects of Section 1 of this Act on diesel users and diesel vendors both wholesale and retail. If there is evidence that Section 1 of this Act would place those industries at a significant disadvantage with respect to competitors in surrounding states, the subcommittee may recommend to the 2006 General Assembly that Section 1 of this Act be amended or repealed.

Section 3. Provisions of this Act to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

The Committee Amendment No. 1 to **HB 40** is as follows:

On page 1, line 9, after the word "***biodiesel***", by inserting the words "***in a blend not less than two percent (2%) by volume***".

The Committee on Agriculture and Small Business reported **HB 400,** with Committee Substitute attached thereto, **HB 430, HB 470,** with Committee Amendment attached thereto, **HB 473, HJR 24, HCR 64, HCR 65, HCR 66,** and **HCR 95** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 400, AN ACT relating to honey.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 217.005 TO 217.215 IS CREATED TO READ AS FOLLOWS:

If a person sells less than five hundred (500) gallons of honey in a year, whether on or off the farm, the person shall not be required to process the honey in a certified honey house or food processing establishment, nor shall the person be required to obtain a permit from the cabinet. The person shall be required to comply with the other provisions of KRS 217.005 to 217.215 as those provisions apply.

The Committee Substitute to **HB 400** is as follows:

HB 400, AN ACT relating to honey.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 217.005 TO 217.215 IS CREATED TO READ AS FOLLOWS:

If a person sells less than one hundred fifty (150) gallons of honey in a year off the farm, the person shall not be required to process the honey in a certified honey house or food processing establishment, nor shall the person be required to obtain a permit from the cabinet. The person shall be required to comply with the other provisions of KRS 217.005 to 217.215 as those provisions apply.

HB 430, AN ACT relating to weights and measures.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 363.590 is amended to read as follows:

(1) The director shall issue from time to time reasonable regulations for the enforcement of KRS 363.510 to 363.850, which regulations shall have the force and effect of law. These regulations may include:

 (a) Standards of net weight, measure, or count, and reasonable standards of fill for any commodity in package form,

 (b) Rules governing the technical and reporting procedures to be followed and the report and record forms and marks of approval and rejection to be used by inspectors of weights and measures in the discharge of their official duties,

 (c) Exemptions from the sealing or marking requirements of KRS 363.650 with respect to weights and measures of such character or size that such sealing or marking would be inappropriate, impracticable, or damaging to the apparatus in question, and

 (d) Rules governing the voluntary registration of servicemen and service agencies.

(2) These regulations shall include specifications, tolerances, and other technical requirements for weights and measures of the character of those specified in KRS 363.610, designed to eliminate from use without prejudice to apparatus that conforms as closely as practicable to the official standards, those:

 (a) That are not accurate,

 (b) That are of such construction that they are faulty (that is, that are not reasonably permanent in their adjustment or will not repeat their indications correctly), or

 (c) That facilitate the perpetration of fraud.

(3) The specifications, tolerances, and other technical requirements for commercial weighing and measuring devices, together with amendments thereto,~~[as recommended by the National Bureau of Standards and]~~ published in National ***Institute***~~[Bureau]~~ of Standards ***and Technology*** Handbook 44 and supplements thereto, or in any publication revising or superseding Handbook 44, shall be the specifications, tolerances, and other technical requirements for commercial weighing and measuring devices of the State of Kentucky, except insofar as specifically modified, amended, or rejected by a regulation issued by the director. For the purposes of KRS 363.510 to 363.850, apparatus shall be deemed to be "correct" when it conforms to all applicable requirements promulgated as specified in this section. Other apparatus shall be deemed to be "incorrect."

Section 2. KRS 363.630 is amended to read as follows:

The director shall, from time to time, weigh or measure and inspect packages or amounts of commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether the same contain the amounts represented and whether they be kept, offered, or exposed for sale or sold in accordance with law. When such packages or amounts of commodities are found not to contain the amounts represented, or are found to be kept, offered, or exposed for sale in violation of law, the director may order them off sale and may so mark or tag them as to show them to be illegal. In carrying out the provisions of this section, the director ***shall employ sampling procedures as published in National Institute of Standards and Technology Handbook 133, any supplements or revisions thereto, or in any publication revising or superseding Handbook 133***~~[may employ recognized sampling procedures under which the compliance of a given lot of packages will be determined on the basis of the result obtained on a sample selected from and representative of such lot]~~. No person shall:

(1) Sell, or keep, offer, or expose for sale, in intrastate commerce, any package or amount of commodity that has been ordered off sale or marked or tagged as provided in this section unless and until such package or amount of commodity has been brought into full compliance with all legal requirements, or

(2) Dispose of any package or amount of commodity that has been ordered off sale or marked or tagged as provided in this section and that has not been brought into compliance with legal requirements, in any manner, except with the specific approval of the director.

Section 3. KRS 363.760 is amended to read as follows:

Whenever any commodity or service is sold, or is offered, exposed, or advertised for sale, by weight, measure, or count, the price shall not be misrepresented, nor shall the price be represented in any manner calculated or tending to mislead or deceive an actual or prospective purchaser. Whenever an advertised, posted, or labeled price per unit of weight, measure, or count includes a fraction of a cent, all elements of the fraction shall be prominently displayed and the numeral or numerals expressing the fraction shall be immediately adjacent to, of the same general design and style as, and at least one-half (1/2) the height and width of the numerals representing the whole cents. ***Prices shall be verified under examination procedures as published in National Institute of Standards and Technology Handbook 130, any supplements or revisions thereto, or in any publication revising or superseding Handbook 130.***

HB 470, AN ACT relating to functions of the Kentucky Department of Agriculture.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 246.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the state Board of Agriculture;

(2) "Commissioner" means the Commissioner of Agriculture;

(3) "Department" means the Department of Agriculture;

(4)[~~"Owner" means any individual, firm, partnership, corporation, organization, association, or any combination thereof who owns a business for the purpose of applying paint to structures of any nature by means of spray equipment of any kind;~~

~~(5)~~] "Structure" means a building erected as a shelter for human beings, animals or agricultural products, equipment, or supplies;

(5)[~~(6)~~] "Agriculture" means the business of raising or producing:

- (a) Crops, the products of which are used for food, feed, fiber, energy, or pharmaceuticals;
- (b) Horticulture products;
- (c) Tobacco;
- (d) Aquaculture products;
- (e) Livestock, poultry, and ratite birds and eggs;
- (f) Milk and milk products;
- (g) Eggs and egg products;
- (h) Bees and bee products; and
- (i) Timber;

(6)[~~(7)~~] "Horticulture" means the business of raising fruits, nuts, vegetables, flowers, ornamental plants, shrubs, trees, herbs, and the starts or transplants needed to produce these items;

(7)[~~(8)~~] "Aquaculture" means the science, art, and business of producing and raising aquatic organisms under controlled or semicontrolled conditions;

(8)[~~(9)~~] "Livestock" means cattle, sheep, swine, goats, horses, llamas, buffaloes, or any other animals of the bovine, ovine, porcine, caprine, or equine species; and

(9)[~~(10)~~] "Poultry" means chickens, ducks, turkeys, or other domestic fowl being raised or kept on any premises in the Commonwealth for profit.

Section 2. KRS 246.040 is amended to read as follows:

(1) The Commissioner shall be the head of the department. He shall keep his office at the seat of government and devote his entire time to the duties of his office.

(2) The Commissioner may employ necessary ***personnel to assist in carrying out his duties***[~~clerical help~~].

Section 3. KRS 246.070 is amended to read as follows:

(1) The Commissioner shall promote and encourage, as far as practicable, the organization of agricultural ***organizations and associations***[~~and horticultural societies and other associations and ascertain the agricultural, horticultural, mechanical, commercial and educational condition of every county~~]. He shall ascertain in detail the quality and quantity of land under cultivation; the kinds, amounts and value of the annual field crops; the annual production of orchards, gardens, ***and*** dairies[~~and mines; the quantity and value of domestic manufactures~~]; the kinds, value, and increase of livestock;[~~the annual products of mechanical industry and skill;~~] the character and wages of labor employed in[~~mines, factories and~~] the cultivation of the soil; ***and*** the value of ***agricultural*** exports and imports[~~; the number of miles and names of railroads, navigable streams and post offices in each county; how and by whom public roads are operated and kept in repair; the name, location and population of cities and villages; the number and value of school houses and churches; the names, capital and purposes of charitable institutions, and such other vital, social, physical and political statistics as he may deem proper and expedient~~].

(2) The Commissioner may, if he thinks it will promote the objects of the department, expend such sums as are available in [~~:~~

~~(a)~~]the payment of premiums that he offers to encourage the agricultural industry of the state[~~;~~

~~(b) The distribution of seeds that the United States government desires to introduce into this state;~~

~~(c) The purchase, importation and exchange of any seeds that he deems of value to the agricultural interests of the state; and~~

~~(d) The analyzation of soils in different parts of the state in the interest of agriculture~~].

Section 4. KRS 246.080 is amended to read as follows:

All officers of the state and counties shall furnish the Commissioner with such information within their power as he may require in regard to the matters connected with the department. ***The Commissioner***[~~He~~] shall also put himself in communication with the different agricultural ***associations and organizations***[~~, horticultural and labor societies, manufacturing and mining companies~~] and such other organizations or persons in or out of the state, as he may deem proper, in order to secure information.

Section 5. KRS 246.130 is amended to read as follows:

The board shall meet in Frankfort at least once every two (2) months, or at any other place it may determine, to consider the general agricultural, horticultural, ***and*** forestry[~~, and industrial~~] interests of the state, and to take the necessary steps for carrying out the purpose of the board. The Commissioner may, and at the request of six (6) of its voting members shall, call its meetings and the board may adjourn any meeting to a time and place as may be determined. Six (6) voting members shall constitute a quorum. Six (6) members may call the board together for the transaction of business if the Commissioner, upon their request, refuses to do so.

Section 6. KRS 246.160 is amended to read as follows:

The board shall act as an advisory board to the Commissioner[~~, and shall aid him in the distribution of seed, in the collection of information concerning crops and in the promulgation of industrial information generally~~].

Section 7. KRS 246.210 is amended to read as follows:

(1) The department or its agents ***or employees*** shall have free access within reasonable hours to any farm, orchard, garden, elevator, warehouse, building, cellar, freight or express office or car, freight yard, vehicle, vessel, boat, container, or any other place which, for probable cause, it may be necessary or desirable for the agents to enter in order to enforce a quarantine against the European corn borer (Pyrausta nubilaslis).

(2) The ***department or any of its agents or employees***[~~board or any of its members or representatives~~] may after reasonable notice enter any premises for the purpose of inspecting or testing livestock to determine the existence of, or to combat in any way, communicable diseases. The owner of the livestock to be tested or inspected shall, after reasonable notice, confine and present the livestock to the ***agents or employees of the department***[~~representatives of the board~~]. When the ***department or any of its agents or employees***[~~board or any of its representatives~~] determines through inspection or testing that any livestock is infected with a communicable disease, they may enter any premises after reasonable notice and remove the diseased livestock, and have the livestock destroyed or slaughtered and the owner indemnified as provided in KRS 257.120 to 257.150. When necessary the ***department or any of its agents or employees***[~~board or any of its members or representatives~~] may call upon peace officers for assistance.[~~ The officers shall render assistance when ordered to do so by the board or any of its members, representatives, agents, or employees.~~]

(3)[~~ A sealer of agricultural warehouses appointed under KRS 251.120 may at all times enter upon any premises to inspect grain in storage or the granary, crib, bin, or other receptacle in which it has been stored.~~

~~(4)~~] The state entomologist or his authorized agent shall, upon previous application, have free access within reasonable hours to any premises or containers for purposes of trapping, inspecting for, investigating, or treating the premises for the control of Japanese beetles (Popillia japonica).[~~ In the capacity of state inspector of apiaries,~~] He may,[~~ personally or by deputy,~~] at his discretion, visit private premises during reasonable business hours and inspect any apiary to ascertain the existence of, or to treat or destroy any disease in the egg, larval, pupal, or adult stages among bees or brood.

(4)[~~(5)~~] The director of the agricultural experiment station and his agents shall have free access at all reasonable hours to any premises, vehicle, elevator, or steamship company, in the discharge of his duties under KRS 250.081.

Section 8. KRS 246.220 is amended to read as follows:

(1) No person shall in any way hinder, refuse or defeat entrance or inspection by an agent ***or employee*** of the department who is performing the duties of his office for the purpose of combating the European corn borer under subsection (1) of KRS 246.210.

(2) No person shall interfere in any way with the ***department or any of its agents or employees***[~~board or any of its members or representatives~~] in the inspection of premises and livestock, or in the testing of livestock on any premises when the object of the inspection or testing is to determine the existence of or to combat in any way, communicable disease in livestock. No person shall interfere in any way with the ***department or any of its agents or employees***[~~board or any of its members or representatives~~] in the removal from any premises of livestock found to be infected with a communicable disease.

(3) No person shall hinder the efforts of the state entomologist or his agents in combating Japanese beetles under KRS 246.210.

(4) No person shall hinder the entomologist in the performance of any of his duties as state inspector of apiaries.

(5) No person shall interfere in any way with inspectors or assistants while they are discharging their duties under KRS 250.021 to 250.111.

(6) No person shall hinder, prevent, or attempt to prevent any person from discharging his duties under KRS 250.491 to 250.631.

(7) No person shall in any way impersonate, hinder, or obstruct the department or its inspectors in the performance of their official duties under KRS 248.280 to 248.440 or 261.220.

Section 9. KRS 246.990 is amended to read as follows:

(1) Any person who violates subsection (2) of KRS 246.210 or subsection (2) of KRS 246.220 shall be fined not less than fifty dollars ($50) nor more than two hundred dollars ($200) for the first offense; he shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) and be confined in the county jail for not less than sixty (60) days nor more than one hundred and twenty (120) days, for each subsequent offense.

(2) Any person who violates subsection (3) of KRS 246.220 shall be fined not less than five dollars ($5) nor more than one hundred dollars ($100) or be imprisoned for not more than ten (10) days, or both. Each day's hindering or refusal of access shall constitute a separate offense.

(3) Any person who violates subsection (4) of KRS 246.220 shall be fined not less than two dollars ($2) nor more than fifty dollars ($50).

(4) Any person who violates subsection (5) of KRS 246.220 shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100).

(5) Any person who violates subsection (6) of KRS 246.220 shall be fined not less than ten dollars ($10) nor more than fifty dollars ($50).

(6) Any person who violates subsection (7) of KRS 246.220 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than three (3) months, or both.

(7) Any owner or operator of a dairy plant who shall fail to comply with the provisions of KRS 246.240 or any part thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than one hundred dollars ($100).

(8)[~~Any person violating any of the provisions of KRS 246.510 to 246.590 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), and imprisoned not more than one (1) year, or both. Each violation shall be deemed a separate offense.~~

~~(9)~~] Any person who violates any administrative regulation promulgated by the department under the provisions of KRS 246.660 shall have a civil fine imposed of not less than one hundred dollars ($100) nor more than five hundred dollars ($500).

Section 10. The following KRS sections are repealed:

246.050 Department may engage in field demonstration and educational work.
246.090 Commissioner to issue monthly reports -- Publication.
246.100 Annual report on state, to induce immigration.
246.110 Report to General Assembly.
246.170 Board to report to General Assembly.
246.510 License required.
246.520 Rules and regulations.
246.530 Power of departmental agents.
246.540 Grounds for suspension or revocation of licenses.
246.550 Hearing.
246.560 Notice of revocation, suspension, or refusal to issue license -- Appeal -- Bond.
246.570 Change in ownership -- Duty of new owner.
246.580 Exceptions to license requirement.
246.590 Disposition of fees.

The Committee Amendment No. 1 to **HB 470** is as follows:

On page 5, lines 4 and 5, by removing the brackets and strikethroughs, and

On page 5, line 4, after ".", by bracketing and striking through the remainder of the line and lines 5 to 8; and

On page 5, line 27, after "duties", by bracketing and striking through the remainder of the line and line 1 on page 6 through "apiaries".

HB 473, AN ACT relating to amusement rides and attractions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 247.232 is amended to read as follows:

As used in KRS 247.234 and 247.236:

(1) "Amusement ride" means any mechanized device or combination of devices which carry passengers along, around, or over

a fixed or restricted course for the purpose of giving its passengers amusement, pleasure, thrills, or excitement. "Amusement ride" does not include coin-operated amusement devices***, unless designated by administrative regulation promulgated by the Commissioner,***[~~that carry no more than two (2) persons~~] and devices regulated by the Federal Aviation Administration, the Kentucky Transportation Cabinet, the federal railroad commission, and vessels under the jurisdiction of the United States Coast Guard or the Kentucky Department of Fish and Wildlife Resources;

(2) "Amusement attraction" means any building or structure around, over, or through which people may walk, climb, slide, jump, or move that provides amusement, pleasure, thrills, or excitement. "Amusement attraction" does not include tractor pulls, auto or motorcycle events, horse shows, rodeos and other animal shows, games and concessions, nonmechanical playground equipment, such as swings, [~~slides,~~]seesaws,[~~ climbers, trampolines,~~] rider-propelled merry-go-rounds, stationary spring-mounted animal devices, and physical fitness equipment, unless designated by ***administrative*** regulation ***promulgated by***[~~of~~] the Commissioner;

(3)[~~ "Carnival" means an enterprise offering amusement or entertainment to the public by means of one (1) or more amusement rides and attractions;~~

~~(4) "Fair" means an enterprise principally devoted to the exhibition of products of agriculture, science, or industry in conjunction with the operation of one (1) or more amusement rides or attractions;~~

~~(5)~~] "Owner" means any person who owns an amusement ride or attraction[~~ or, in the event that the amusement ride or attraction is leased, the lessee~~]; and

(4)[~~(6)~~] "Commissioner" means the Commissioner of Kentucky Department of Agriculture or his authorized representative.

Section 2. KRS 247.234 is amended to read as follows:

(1) No amusement ride or attraction shall be operated[~~ at a fair or carnival~~] in this state without a permit of operation issued by the Commissioner to the owner[~~ or operator~~] of ***the***[~~such~~] equipment. ***The permit shall be kept on site and viewable upon request.***

(2) (a) The permit of operation required by this section shall be valid for a period of one (1) year and shall be issued in accordance with administrative regulations promulgated by the Commissioner;

(b) ***A permit shall be issued to each owner to operate any amusement ride or attraction in this state. A fee of fifty dollars ($50) shall be levied for each amusement ride or attraction***[~~The fee for such permit of operation shall be fifty dollars ($50) for each ride or attraction owned or operated in this state~~];

(c) The applicant shall furnish proof of liability insurance in effect on the operation of each amusement ride or attraction providing coverage, with an insurer authorized to issue[~~ such~~] a policy in this state, in the amount of three hundred thousand dollars ($300,000) due to all bodily injuries or deaths per occurrence, or in lieu thereof, if the applicant's amusement ride or amusement attraction is one that is permanently located or erected on a site in this state, the applicant shall be required only to provide proof of liability insurance in the sum of one hundred thousand dollars ($100,000) or proof of financial responsibility in the sum of one hundred thousand dollars ($100,000). Every insurance carrier of ***these***[~~such~~] policies shall notify the Commissioner at least thirty (30) days prior to cancellation of ***a***[~~the~~] policy ***for mobile amusement rides or attractions and at least ten (10) days prior to cancellation of a policy for permanent amusement rides or attractions***. In addition to proof of adequate insurance coverage, the applicant shall furnish any other information the Commissioner may require, including, but not limited to, written notice of each intended operating site to be received by the Commissioner at least fourteen (14) days prior to operation at that site. [~~However,~~]In cases of emergency, notice of a change in future plans may be given to the Commissioner by telephone. Insurance requirements for amusement rides and attractions operated at the Kentucky State Fair may be adjusted by the Commissioner to any amount reasonably necessary to ensure adequate coverage;

(d) [~~Before issuing any permit,~~]The Commissioner shall provide for an inspection of each amusement ride or attraction ***before it may be*** operated in this state. The Commissioner shall designate persons qualified by education or experience, who are capable of determining amusement safety in accordance with ***administrative*** regulations ***promulgated in accordance with***[~~adopted pursuant to~~] KRS 247.232 to 247.236***,*** as amusement safety inspectors; and

(e) A ***Kentucky inspection seal shall be affixed to every individual amusement ride or attraction, or other location as determined by the Commissioner, before it may be operated in this state***[~~permit of operation shall be posted in full public view on or near the amusement ride or attraction~~].

(3) (a) In addition to a mandatory initial inspection, required in subsection (2)(d) of this section, the Commissioner may inspect amusement rides and attractions without notice at any time while operating in this state. There will be no charge for additional inspections in which safety violations are not found[~~ and for additional inspections in which safety violations are found and corrected immediately~~].[~~ However,~~] In regard to situations in which safety violations are found[~~ that cannot be corrected immediately~~], the Commissioner ***may***[~~shall~~] charge an inspection fee ***not to exceed one thousand dollars ($1,000)***[~~in the amount of one hundred dollars ($100)~~] for any future inspection necessary***. The corrections of these safety violations shall comply with accepted standards of safety, and shall be accomplished prior to operating the equipment in this state***[~~to determine if that particular~~

~~amusement ride or attraction complies with accepted standards of safety]~~;~~[or]~~

(b) In regard to situations in which safety violations are found that cannot be corrected immediately, the amusement ride or attraction shall cease to operate in this state by order of the amusement safety inspector. In addition, the amusement safety inspector shall conspicuously post a public notice on or near the amusement ride or attraction. The notice shall adequately inform the public of the safety violation present***. Only an amusement safety inspector may remove the public notice***;

(c) Any owner who continues to operate an amusement ride or attraction after an order to cease operation has been issued shall have his permit of operation revoked and may be subject to further penalties provided in KRS 247.990 and this section. In addition, the county attorney of each county and the Commissioner of Agriculture or his agents are hereby authorized to seek an injunction against the owner or operator of any amusement ride or attraction being operated in violation of KRS 247.232 to 247.236; and

(d) Revenue generated by this section shall be used for the implementation and administration of KRS 247.232 to 247.236; the balance, if any, shall be paid into the general fund of this state.

Section 3. KRS 247.990 is amended to read as follows:

(1) Any person who violates subsection (3) of KRS 247.270 or who diverts the funds or profits of a farm bureau to any purpose except the purposes of the farm bureau shall be guilty of theft and be punished as provided by law.

(2) Any officer who makes a certificate required by subsection (2) of KRS 247.270 or by KRS 247.300 knowing it to be false or incorrect in any particular, shall be fined not more than one hundred dollars ($100).

(3) Any owner of an amusement ride or attraction who violates any provision of KRS 247.234 or 247.236 or any ***administrative*** regulation promulgated ***in accordance with***~~[pursuant to]~~ KRS 247.234 or 247.236, and ***the***~~[such]~~ violation is specifically determined not to be of a serious nature, is subject to a civil fine not to exceed ***one thousand dollars ($1,000)***~~[one hundred dollars ($100)]~~ for each offense.

(a) Any owner of an amusement ride or attraction who knowingly operates an amusement ride or attraction without a permit of operation as required by KRS 247.234, shall be fined not more than ***one thousand dollars ($1,000)***~~[two hundred fifty dollars ($250)]~~ or be imprisoned in the county jail for not more than ninety (90) days, or both.

(b) Any person who knowingly makes any false statement, representation, or certification in an application for a permit as required by KRS 247.234, shall be fined not more than ***one thousand dollars ($1,000)***~~[two hundred fifty dollars ($250)]~~ or be imprisoned in the county jail for not more than ninety (90) days, or both.

(c) Any owner of an amusement ride or attraction who knowingly violates any provision of KRS 247.234 or 247.236 or any ***administrative*** regulation promulgated ***in accordance with***~~[pursuant to]~~ KRS 247.234 or 247.236, and ***the***~~[such]~~ violation is determined to be the cause of a serious injury or death, shall be fined not more than ***one thousand dollars ($1,000)***~~[five hundred dollars ($500)]~~ or be imprisoned in the county jail for not more than one (1) year, or both.

HJR 24, A JOINT RESOLUTION creating the Subcommittee on Ethanol Production in Kentucky of the Interim Joint Committee on Agriculture and Natural Resources.

WHEREAS, Kentucky farmers are faced with declining cash receipts due to dwindling markets for tobacco; and

WHEREAS, Kentucky agricultural community and state policy leaders are developing alternative cash crops for farmers; and

WHEREAS, many farm crops, like corn, barley, and sorghum, can be used to produce ethanol which is a gasoline oxygenate; and

WHEREAS, ethanol production in Kentucky can lead to greater market opportunities for Kentucky-grown farm crops, to environmental advantages such as reduced dependence on the other major gasoline oxygenate, methyl tertiary butyl ether (MTBE), and lead to lower levels of volatile organic compounds in motor vehicle emissions; and

WHEREAS, ethanol can replace a significant proportion of imported oil as the feedstock for gasoline supplies and can readily be produced from domestic renewable sources;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is created the Subcommittee on Ethanol Production in Kentucky of the Interim Joint Committee on Agriculture and Natural Resources. The subcommittee shall study ethanol production in Kentucky. The subcommittee shall consist of sixteen members as follows:

(1) Eight members from the Senate Agriculture and Natural Resources Committee, who shall reflect the parties' proportional representation on the Senate Agriculture and Natural Resources Committee, recommended by the chairperson of the Senate Agriculture and Natural Resources Committee and approved by the President of the Senate;

(2) Four members from the House Agriculture and Small Business Committee, who shall reflect the parties'

proportional representation on the House Agriculture and Small Business Committee, recommended by the chairperson of the House Agriculture and Small Business Committee and approved by the Speaker of the House of Representatives; and

(3) Four members of the House Natural Resources and Environment Committee, who shall reflect the parties' proportional representation on the House Natural Resources and Environment Committee, recommended by the chairperson of the House Natural Resources and Environment Committee and approved by the Speaker of the House.

Section 2. The co-chairs of the Interim Joint Committee on Agriculture and Natural Resources shall serve as co-chairs of the subcommittee. A co-chair of the joint committee may designate a member of the Interim Joint Committee on Agriculture and Natural Resources to serve in his or her place as subcommittee co-chair.

Section 3. The subcommittee is authorized to meet on the regular meeting date for the Interim Joint Committee on Agriculture and Natural Resources according to the most recent interim meeting calendar approved by a majority of the Legislative Research Commission.

Section 4. The Governor is requested through designees to make recommendations to the subcommittee for consideration by the subcommittee. The Governor shall designate executive branch employees with expertise in the subject to be studied by the subcommittee to present data, research, and testimony to the subcommittee. The subcommittee may employ consultants if approved by the Legislative Research Commission.

Section 5. The subcommittee shall report its findings to the Interim Joint Committee on Agriculture and Natural Resources prior to the start of the 2003 Regular Session. The subcommittee shall cease to exist April 15, 2003.

Section 6. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

HCR 64, A CONCURRENT RESOLUTION confirming the reappointment of Samuel E. Moore to the Kentucky Agricultural Development Board.

WHEREAS, KRS 248.707 requires the Governor to appoint members to the Agricultural Development Board subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, KRS 248.707(7) allows the reappointment of board members; and

WHEREAS, on August 27, 2001, by Executive Order 2000-1095, the Governor reappointed Samuel E. Moore to the Agricultural Development Board for a term expiring July 6, 2005; and

WHEREAS, Samuel E. Moore meets the requirements of KRS 248.707, being a representative of the Kentucky Farm Bureau and who otherwise meets the requirements of KRS 11.160;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. Consent is given to the reappointment of Samuel E. Moore to the Agricultural Development Board for a term to expire on July 6, 2005.

Section 2. The Clerk of the House of Representatives shall forward a copy of this resolution and notification of its adoption to Samuel E. Moore, 1070 Mooretown Road, Morgantown, Kentucky 42261 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 65, A CONCURRENT RESOLUTION confirming the reappointment of Willa H. Poynter to the Kentucky Agricultural Development Board.

WHEREAS, KRS 248.707 requires the Governor to appoint members to the Agricultural Development Board subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, KRS 248.707(7) allows the reappointment of board members; and

WHEREAS, on August 27, 2001, by Executive Order 2000-1095, the Governor reappointed Willa Poynter to the Agricultural Development Board for a term expiring July 6, 2005; and

WHEREAS, Willa H. Poynter meets the requirements of KRS 248.707, being an active farmer from a substantially tobacco impacted county, who otherwise meets the requirements of KRS 11.160;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. Consent is given to the reappointment of Willa H. Poynter to the Agricultural Development Board for a term to expire on July 6, 2005.

Section 2. The Clerk of the House of Representatives shall forward a copy of this resolution and notification of its adoption to Willa H. Poynter, 7229 Taylor Mill Road, Maysville, Kentucky 41056 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 66, A CONCURRENT RESOLUTION confirming the appointment of Vickie Yates Brown to the Kentucky Agricultural Development Board.

WHEREAS, KRS 248.707 requires the Governor to appoint members to the Agricultural Development Board subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, on June 15, 2001, by Executive Order 2001-736, the Governor appointed Vickie Yates Brown to the Agricultural Development Board for a term expiring July 6, 2002; and

WHEREAS, Vickie Yates Brown has been appointed as meeting the requirements of KRS 248.707, being an attorney with farm experience and familiarity with agricultural policy and who otherwise meets the requirements of KRS 11.160;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. Consent is given to the appointment of Vickie Yates Brown to the Agricultural Development Board for a term to expire on July 6, 2002.

Section 2. The Clerk of the House of Representatives shall forward a copy of this Resolution and notification of its adoption to Vickie Yates Brown, 3922 Massie Avenue, Unit #10, Louisville, Kentucky 40207 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 95, A CONCURRENT RESOLUTION requesting reauthorization of the Tobacco Task Force.

WHEREAS, tobacco production is at the heart of Kentucky's agricultural economy; and

WHEREAS, loss of tobacco production or the tobacco program would have a devastating effect on Kentucky and its tobacco farmers; and

WHEREAS, the loss of tobacco production would cause failure of many farms and businesses, decreases in land values, the default of loans, and the loss of state and local revenues; and

WHEREAS, shifts in tobacco production from the auction marketing system to contract marketing system, and cuts in tobacco quota continue to change the traditional tobacco program and methods of tobacco production in Kentucky; and

WHEREAS, the Tobacco Task Force was created by the Legislative Research Commission in 1984 to address problems that threaten the tobacco industry and the tobacco price support program; and

WHEREAS, the Task Force has studied contracting in tobacco and many other problems that threaten Kentucky's tobacco economy and has been instrumental in helping to resolve these problems; and

WHEREAS, Kentucky's tobacco industry and tobacco farmers remain in jeopardy because of threats to the tobacco program, increased use of imported tobacco, labor shortages, marginal prices, cuts in tobacco quota, a shift from an auction marketing system to a contract marketing system, possible increases in excise taxes, and other problems;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Kentucky Tobacco Task Force be reauthorized to help resolve the problems facing the tobacco industry and the tobacco program.

Section 2. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Motions, Petitions, and Communications (Continued)

Representative Ford moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation.

Agreed.

Representative Ford moved the adoption of the following **Legislative Citation No. 31**.

The House of Representatives of the Commonwealth of Kentucky hereby expresses congratulations to the most recent members of Leadership Kentucky Association of Realtors as they visit the chambers of the Kentucky House of Representatives to view a day of the Regular Session of the 2002 General Assembly. Inasmuch as this exceptional leadership program, sponsored by one of the largest professional trade associations in the Commonwealth of Kentucky, seeks to identify, train and cultivate future leaders for the local, state and national Realtor organizations, this honorable body is pleased to join Representative Danny Ford in extending a hearty welcome to these distinguished individuals and in commending them upon being selected to participate in this most prestigious leadership program. Done in Frankfort, Kentucky, this seventh day of February, in the year two thousand and two.

Legislative Citation No. 31 was adopted without objection.

Representative Napier moved to suspend the rules to act upon a Resolution. Agreed.

Representative Napier moved the adoption of the following **HR 116**:

HR 116, A RESOLUTION adjourning the House of Representatives in loving memory and honor of William R. "Bill" Layton.

With deepest respect and admiration, we pay homage and tribute to William R. "Bill" Layton, and we pause in silent reverence for his soul.

WHEREAS, William R. "Bill" Layton was born on April 12, 1919, a native of Garrard County, Kentucky, and he traversed these earthly bounds on February 4, 2002; and

WHEREAS, William R. "Bill" Layton was the loving son of the late Jesse W. Layton and Osie Calico Layton; he was the loving brother of two brothers, Harold Layton and Lewis Layton, and the loving brother of a sister, Gladys Rogers, all of Lancaster; he was the devoted husband of Frances Fisher Layton, and the loving father of a son, David Layton of Lancaster, and a daughter, Sheila Ann Leonard of Danville, and he was the proud grandfather of two grandchildren and a great-grandchild; and

WHEREAS, William R. "Bill" Layton was a 1938 graduate of Buckeye High School, he was a dedicated member of the Republican Party, and he served as Garrard County clerk for 32 years, and he also was a retired cattle and tobacco farmer; and

WHEREAS, William R. "Bill" Layton was an esteemed member of the Garrard County community where he was a member of Lancaster Baptist Church, he was a Mason and Shriner and past president of the Wilderness Shrine Club; he served his country with honor and distinction in the United States Army Air Corps during World War II, and he was a member of the Lancaster American Legion post; and

WHEREAS, the passing of William R. "Bill" Layton has left a void that cannot be filled, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of William R. "Bill" Layton, and extends to his family and many friends its most profound and deepest sympathy.

Section 2. When the House of Representatives adjourns this day, it does so in loving memory and honor of William R. "Bill" Layton.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit copies of this Resolution to Mrs. Frances Fisher Layton, 208 Maplewood Drive, Lancaster, Kentucky 40444; to Mr. Harold Layton, 413 Danville Street, Lancaster, Kentucky 40444; to Mr. Lewis Layton, Daly Court, Lancaster, Kentucky 40444; and to Mrs. Gladys Rogers, c/o Buddy Rogers, 1354 Perry Rogers Road, Lancaster, Kentucky 40444.

There being no objection **HR 116** was adopted.

Representative Meeks moved to suspend the rules to act upon a Resolution. Agreed.

Representative Meeks moved the adoption of the following **HR 117**:

HR 117, A RESOLUTION honoring Father George Clements for his tireless devotion to the human race and adjourning in his honor.

WHEREAS, it is appropriate for this august body to acknowledge the contributions of special individuals who enrich the lives of our fellow citizens; and

WHEREAS, the tireless and unending effort of Father George Clements as founder of One Church - One Child, a program dedicated to the acquisition of adoptive parents for homeless African-American and biracial children, has lead to the successful adoption of over 100,000 children; and

WHEREAS, the work of Father George Clements as developer and administrator of One Church - One Addict, a project dedicated to the recruitment of faith communities to participate along with health care and educational organizations in supporting recovering addicts, has lead to the participation of over 1,000 churches in 35 states; and

WHEREAS, Father George Clements has laid the groundwork for implementation of One Church - One Inmate, a proposal dedicated to the recruitment of faith communities to provide aftercare for men and women who have been incarcerated; and

WHEREAS, Father George Clements is an internationally known humanitarian, who is directly responsible for building successful coalitions in support of economic and social justice, and who has been an active soldier in the war on drugs having successfully organized movements to enact laws prohibiting the sale of drug paraphernalia; and

WHEREAS, Father George Clements has dedicated his life to improving the lives of the least fortunate throughout the world, has assisted numerous African students matriculate and obtain degrees of higher education in the United States, and, because of his outstanding humanitarian contributions, has been designated a Chief of the Yoruba Tribe in Imeko, Nigeria; and

WHEREAS, Father George Clements was born in Chicago, Illinois on January 26, 1932, graduated from Corpus Christi Elementary School and Quigley Seminary, studied at St. Mary of the Lake Seminary, earned a Bachelor of Arts degree and a Masters degree in Philosophy, received a Bachelor of Arts in Sacred Theology, became an ordained priest of the Archdiocese of Chicago in May 1957, and served as pastor of Holy Angels Church from 1969 to 1991; and

WHEREAS, Father George Clements is a founder of the Black Catholic Clergy Caucus, is a founder of the African-American Police League, became the first priest to adopt a child and subsequently adopted three additional children, and has been featured in an award-wining film about his life produced and broadcast by NBC, entitled "The Father Clements Story";

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. This honorable body does hereby express its heartfelt appreciation to Father George Clements for his diligent devotion to the people of this nation.

Section 2. This venerable institution does hereby recognize and honor Father George Clements for his service to the people of this nation.

Section 3. When the House of Representatives adjourns this day, it does so in honor of Father George Clements.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Father George Clements, National One Church One Child, 1522 K Street, Suite 450, Washington, DC 20005.

There being no objection **HR 117** was adopted.

Representative Ford moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Ford moved that he be recorded as voting "yea" on **HB 322, HB 106, HB 149, HB 201, HB 244, HB 321, HB 416,** and **HB 445**. Agreed.

Representative Wilkey moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Wilkey moved that he be recorded as voting "yea" on **HB 201, HB 215,** and **HB 108**. Agreed.

Representative Heleringer moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Heleringer moved that his vote be changed from "nay" to "yea" on **SB 54**. Agreed.

Representative Reinhardt moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Reinhardt moved that his vote be changed from "nay" to "yea" on **HB 207**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 to House Committee Substitute to **SCR 17**, by Representative Yonts:

Following line 14 on page 2, by adding a new section as follows:

"Section 6. This resolution shall apply to the entire Commonwealth of Kentucky except for any pond belonging to the gentleman from Butler."

Floor Amendment No. 1 to the Committee Substitute to **HB 174**, by Representative Bowling:

On Page 9, after Line 15 by inserting the following:

"*5. The cabinet shall:*

a. Promulgate administrative regulations in accordance with KRS Chapter 13A to establish standards for approval and procedures for review of cleanup plans submitted under subparagraph 8.a. of this paragraph;

b. Review plans submitted under subparagraph 8.a. of this paragraph to determine if the plan submitted meets the standards established for approval;

c. Inform a county or city of the approval of the plan submitted under subparagraph 8.a. of this paragraph or to disapprove of the plan submitted under subparagraph 8.a. of this paragraph. If the plan is not approved, the cabinet shall inform the county or city of the deficiency or deficiencies within the plan and require remedy of any deficiencies prior to approval;

d. Monitor counties and cities to determine if plans submitted under subparagraph 8.a. of this paragraph and approved by the cabinet have been implemented by July 1, 2004;

e. Inform the Transportation Cabinet of any county that fails to submit a plan under subparagraph 8.a. of this paragraph by July 1, 2003, fails to have a plan submitted under subparagraph 8.a. of this paragraph approved by July 1, 2003, or fails to implement by July 1, 2004, a plan submitted under subparagraph 8.a. of this paragraph and approved by the cabinet; and

f. Inform the Finance and Administration Cabinet of any city that fails to submit a plan under subparagraph 8.a. of this paragraph by July 1, 2003, fails to have a plan submitted under subparagraph 8.a. of this paragraph approved by July 1, 2003, or fails to implement by July 1, 2004, a plan submitted under subparagraph 8.a. of this paragraph and approved by the cabinet.

6. If a county fails to comply with the requirements of subparagraph 8. of this paragraph, the Transportation Cabinet shall suspend that county's share of funds allocated under KRS 177.360. The Transportation Cabinet shall immediately reinstate those funds when the county is in compliance with the requirements of subparagraph 8. of this paragraph.

7. If a city fails to comply with the requirements of subparagraph 8. of this paragraph, the Finance and Administration Cabinet shall suspend that city's share of funds allocated under KRS 177.366. The Finance and Administration Cabinet shall immediately reinstate those funds when the city is in compliance with the requirements of subparagraph 8. of this paragraph.

8. Counties and cities receiving moneys according to this paragraph shall:

a. Submit a plan for the implementation of cleanup of all roads and highways within their jurisdictions to the cabinet for review and approval by July 1, 2003; and

b. Implement this plan by July 1, 2004.

Counties that fail to submit a plan, fail to correct a deficient plan, or fail to implement an approved plan shall be subject to the penalties imposed by subparagraph 6. of this paragraph. Cities that fail to submit a plan, fail to correct a deficient plan, or fail to implement an approved plan shall be subject to the penalties imposed by subparagraph 7. of this paragraph.".

Floor Amendment No. 1 to the Committee Substitute to **HB 198**, by Representative Heleringer:

On page 15, lines 12 to 14, by deleting same.

Floor Amendment No. 1 to **HB 412**, by Representative Stein:

On page 1, beginning on line 14 and on line 15, after "*at*" by deleting "*fifty (50) foot intervals on the perimeter*" and inserting in lieu thereof "*the corners of the school property, which make a turn of thirty (30) degrees or more, and at the entrance of any access road*".

Floor Amendment No. 1 to **HB 375**, by Representative Damron:

On page 2, lines 15 and 16, by deleting "*and implement*"; and

On page 4, line 2, by deleting "*5, 6, 7, 14, 15, and 19*" and inserting in lieu thereof "*4, 5, 12, and 16*"; and

On page 4, line 16, by deleting "*oversee the implementation of*" and inserting in lieu thereof "*select*"; and

On page 5, line 6, after "*Act*" by inserting "*, including the capability to integrate an electronic Medicaid management information system*"; and

On page 5, line 19, by deleting "*and*"; and

On page 5, line 21, after "*;*" by adding "*and*"; and

On page 5, after line 21, by inserting:

"*7. Incentives, including but not limited to tax credits, low interest loans, and grants, under Subchapters 22, 23, 24, 26, and 28 of KRS Chapter 154 for a company that develops or manufactures software necessary for the development of the Ke-HN, provided the company meets all the eligibility requirements under the respective subchapter in KRS Chapter 154;*"; and

On page 5, line 23, after "*;*" by inserting "*and*"; and

On page 5, line 26, by deleting "***;***" and inserting "***.***" in lieu thereof; and

On page 5, after line 26, by inserting:

"***(3) The feasibility study shall review models that allow for the following powers and duties of the board:***"; and

On page 5, line 27, by deleting "***(g)***" and inserting in lieu thereof "***(a)***"; and

On page 6, line 2, by deleting "***(h)***" and inserting in lieu thereof "***(b)***"; and

On page 6, line 13, by deleting "***(i)***" and inserting in lieu thereof "***(c)***"; and

On page 6, line 23, by deleting "***(j)***" and inserting in lieu thereof "***(d)***"; and

On page 6, line 25, by deleting "***(k)***" and inserting in lieu thereof "***(e)***"; and

On page 7, line 1, by deleting "***(l)***" and inserting in lieu thereof "***(f)***"; and

On page 7, line 5, by deleting "***(m)***" and inserting in lieu thereof "***(g)***"; and

On page 7, line 8, by deleting "***(n)***" and inserting in lieu thereof "***(h)***"; and

On page 7, line 9, by deleting "***(o)***" and inserting in lieu thereof "***(i)***"; and

On page 7, line 10, by deleting "***(p)***" and inserting in lieu thereof "***(j)***"; and

On page 7, line 15, by deleting "***(q)***" and inserting in lieu thereof "***(k)***"; and

On page 7, line 17, by deleting "***(r)***" and inserting in lieu thereof "***(l)***"; and

On page 7, line 19, by deleting "***(s)***" and inserting in lieu thereof "***(m)***"; and

On page 7, line 23, by deleting "***(t)***" and inserting in lieu thereof "***(n)***"; and

On page 7, line 26, by deleting "***and***"; and

On page 7, line 27, by deleting "***(u)***" and inserting in lieu thereof "***(o)***"; and

On page 8, line 1, by deleting "***6***" and inserting in lieu thereof "***5***" and by deleting "***.***" and inserting in lieu there of "***;***"; and

On page 8, by deleting line 2 in its entirety; and

On page 8, line 3, by deleting "***(a)***" and inserting in lieu thereof "***(p)***"; and

On page 8, line 5, by deleting "***under Section 15 of this Act***"; and

On page 8, line 8, by deleting "***(b)***" and inserting in lieu thereof "***(q)***"; and

On page 8, line 10, by deleting "***(c)***" and inserting in lieu thereof "***(r)***"; and

On page 8, by deleting lines 14 to 21 in their entirety; and

On page 8, line 22, by deleting "5" and inserting in lieu thereof "4"; and

On page 9, line 11, by deleting "Section 6" and inserting in lieu thereof "Section 5"; and

On page 12, line 16, by deleting "***the Ke-HN***" and inserting in lieu thereof "***health information technology in the Commonwealth***"; and

On page 16, by deleting lines 13 to 22 in their entirety; and

On page 16, line 23, by deleting "8" and inserting in lieu thereof "6"; and

On page 20, line 2, by deleting "9" and inserting in lieu thereof "7"; and

On page 20, line 20, by deleting "10" and inserting in lieu thereof "8"; and

On page 21, line 15, by deleting "11" and inserting in lieu thereof "9"; and

On page 22, line 8, by deleting "Section 12." and inserting in lieu thereof "Section 10."; and

On page 23, line 24, by deleting "13" and inserting in lieu thereof "11"; and

On page 25, line 4, by deleting "14" and inserting in lieu thereof "12"; and

On page 26, line 2, before "***development***" by inserting "***research and***"; and

On page 26, lines 2 and 3, by deleting "***securing funds for the Ke-HN created in Section 6 of this Act.***" and inserting in lieu thereof "***the identification of funding sources for health information technology in this Commonwealth***"; and

On page 26, by deleting lines 21 to 27 in their entirety; and

On page 27, by deleting lines 1 to 19 in their entirety; and

On page 27, line 20, by deleting "16" and inserting in lieu thereof "13"; and

On page 29, line 9, by deleting "17" and inserting in lieu thereof "14"; and

On page 29, line 11, by deleting "6" and inserting in lieu thereof "5"; and

On page 29, line 14, by deleting "18" and inserting in lieu thereof "15"; and

On page 29, line 17, by deleting "19" and inserting in lieu thereof "16".

Floor Amendment No. 1 to the Committee Substitute to **HB 146**, by Representative Geveden:

On page 2, after line 26, by inserting the following:

"Section 2. Whereas delayed implementation of the provisions of this Act may result in unneeded financial exposure to the Commonwealth, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law."

Floor Amendment No. 2 Title to **HB 146**, by Representative Geveden:

By amending the title to read as follows: AN ACT relating to juvenile justice and declaring an emergency.

Floor Amendment No. 2 to **HB 104**, by Representative J. Turner:

On page 1, by deleting lines 10 through 13 in their entirety and inserting in lieu thereof:

"*(2) In a claim for compensation benefits under this chapter for heart or lung disease, or a medical condition related thereto, it shall be presumed that the disease or condition is related to the employment, if the individual:*
(a) Is a paid or volunteer firefighter;
(b) Has served as a paid or volunteer firefighter for a minimum of five (5) consecutive years; and
(c) Was actively engaged in firefighting activities during employment as a paid or volunteer firefighter."

Floor Amendment No. 1 to the Committee Substitute to **HB 119**, by Representative Hall:

On page 1, between lines 23 and 24, insert:
"*(d) A journalist engaged in news gathering activities;*"; and
On page 1, line 24, delete "*(d)*" and insert in lieu thereof "*(e)*"; and
On page 2, line 2, delete "*(e)*" and insert in lieu thereof "*(f)*".

Floor Amendment No. 2 Title to **HB 119**, by Representative Hall:

Amend the title to read as follows: "AN ACT relating to crimes and punishments."

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills:

HB 4, Representative Riggs

HB 125, Representative Palumbo

HB 150, Representative Dw. Butler

HB 159, Representative Westrom

HB 385, Representatives Crall, Fisher, Bruce, Dw. Butler, and Napier

HB 409, Representatives L. Belcher and Dw. Butler

HB 425, Representative Pullin

HB 452, Representative Hall

HB 466, Representative Nunn

HB 496, Representative Dw. Butler

HB 542, Representative Cherry

HB 547, Representatives P. Clark and Palumbo

HB 572, Representative Cherry

HB 578, Representatives J. Arnold and Crall

HB 606, Representative Cherry

HB 607, Representatives Brinkman, McKee, and Palumbo.

Announcements

The following meeting was announced:

Budget Review Subcommittee on Human Services: Monday, February 11, 2002,
2:00 p.m., Room 131

Adjournment

Representative Stumbo moved that the House adjourn until 9:00 a.m., on Friday, February 8, 2002.

The motion that the House adjourn until 9:00 a.m., Friday, February 8, 2002, was adopted by voice vote.

FRIDAY, FEBRUARY 8, 2002

TWENTY-THIRD LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Representative W. Keith Hall, Phelps, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Bather, De. Butler, Crenshaw, Haydon, Heleringer, Weaver, and Wilkey.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of February 7, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Senate Message

Announced passage of **SB 33, SB 117,** and **SB 143**. (Time 9:20 a.m.)

Message received in regard to **HB 23**: The Senate has passed **HB 23** by way of Committee Substitute with Senate Committee Amendment No. 1 Title and respectfully requests concurrence of this Honorable Body.

Motions, Petitions, and Communications

Representative Moberly moved to suspend the rules to introduce and grant floor privileges to the student body presidents of the state's universities. Agreed.

Introduction of Bills and Resolutions

HB 623, by Representative Gray: AN ACT relating to field trial hunting licenses.

HR 119, by Representatives Simpson, Callahan, Walton, Marcotte, Kerr, Draud, Fischer, Meeks, Bather, Wilkey, and Crenshaw: A RESOLUTION expressing support for the establishment of the National Underground Railroad Freedom Center.

HR 120, by Representative Upchurch: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Mary Ann Hicks.

HR 121, by Representative Palumbo: A RESOLUTION adjourning the House of Representatives in honor of Captain Trey Rawls, United States Air Force.

HJR 122, by Representatives Upchurch, T. Turner, Ford, and Hoover: A JOINT RESOLUTION directing the Transportation Cabinet to conduct a study to assess the transportation needs of persons living in counties adjacent to Lake Cumberland.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **SCR 47**

Appropriations and Revenue: **HB 614**

Education: **HB 620, 621**

Health and Welfare: **HB 616, 617**

Judiciary: **SB 115**

Local Government: **HB 615, 618**

State Government: **HB 619, 622**

Tourism Development and Energy: **SB 116**

House Floor: **HR 118**

Report On Enrolled Bills

The Committee on Enrollment reported that **SB 54** has been examined and found correctly enrolled. Said Bill was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time -9:25 a.m.)

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolution have been posted for Committee consideration:

Judiciary: **HB 428, HB 429, HB 451, HB 524, HB 560, HB 571, HB 601, SB 25, SB 26, SB 70**

Tourism Development and Energy: **HJR 93**

Calendar

HB 16, HB 351, HB 464, HB 484, HB 344, HB 357, HB 477, HB 483, HB 520, HB 548, HB 22, HB 378, HB 559, HCR 43, HB 413, HJR 102, HB 15, HB 98, HB 166, HB 474, HB 549, HB 400, HB 430, HB 470, HB 473, HJR 24, HCR 64, HCR 65, HCR 66, and **HCR 95** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report of Committees

Representative Stumbo moved to suspend the rules to allow for a Rules Committee Report. Agreed.

The Committee on Rules reported that **HB 174, HB 313, HB 119, HB 189, HB 190, HB 430, HB 464, HB 474, HB 477, HB 548, HJR 24, HCR 43, HCR 64, HCR 65, HCR 66, HCR 95,** and **HJR 102** have been posted for passage in the Orders of the Day for February 11, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Banking and Insurance: **HB 165**

Appropriations and Revenue: **HB 15**

Judiciary: **HB 413**

Orders of the Day

HB 146, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Geveden moved the adoption of the Committee Substitute to **HB 146**. Agreed.

Representative Geveden moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 146**. Agreed.

Representative Geveden moved that **HB 146**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 92, Nays 0**. (See February 8, 2002, roll call on **HB 146** - Appendix.)

HB 146, by way of Committee Substitute, as amended, was passed.

Representative Geveden moved the adoption of Floor Amendment No. 2 Title to **HB 146**. Agreed.

Representative Geveden moved that the vote by which **HB 146**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 412, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stein moved the adoption of Floor Amendment No. 1 to **HB 412**. Agreed.

Representative Stein moved that **HB 412**, as amended, be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 8, 2002, roll call on **HB 412** - Appendix.)

HB 412, as amended, was passed and the title agreed to.

Representative Stein moved that the vote by which **HB 412**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 349 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved that **HB 349** be passed.

On the roll call the vote was: **Yeas 91, Nays 0**. (See February 8, 2002, roll call on **HB 349** - Appendix.)

HB 349 was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 349** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 449 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Sims moved that **HB 449** be passed.

On the roll call the vote was: **Yeas 90, Nays 0**. (See February 8, 2002, roll call on **HB 449** - Appendix.)

HB 449 was passed and the title agreed to.

Representative Sims moved that the vote by which **HB 449** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 154 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Arnold moved that **HB 154** be passed.

On the roll call the vote was: **Yeas 90, Nays 0**. (See February 8, 2002, roll call on **HB 154** - Appendix.)

HB 154 was passed and the title agreed to.

Representative A. Arnold moved that the vote by which **HB 154** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 314, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hoffman moved the adoption of the Committee Substitute to **HB 314**. Agreed.

Representative Hoffman moved that **HB 314**, by way of Committee Substitute, be passed.

Representative Hoffman moved that **HB 314** be laid on the clerk's desk.

The motion that **HB 314** be placed on the clerk's desk was agreed to by voice vote.

HB 293, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Draud moved the adoption of the Committee Substitute to **HB 293**. Agreed.

Representative Draud moved that **HB 293**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 89, Nays 0**. (See February 8, 2002, roll call on **HB 293** - Appendix.)

HB 293, by way of Committee Substitute, was passed and the title agreed to.

Representative Draud moved that the vote by which **HB 293**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 191, with Committee Substitute and Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved the adoption of the Committee Substitute to **HB 191**. Agreed.

Representative L. Clark moved that **HB 191**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 89, Nays 0**. (See February 8, 2002, roll call on **HB 191** - Appendix.)

HB 191, by way of Committee Substitute, was passed.

Representative L. Clark moved the adoption of Committee Amendment No. 1 Title to **HB 191**. Agreed.

Representative L. Clark moved that the vote by which **HB 191**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 456 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative C. Belcher moved that **HB 456** be passed.

On the roll call the vote was: **Yeas 91, Nays 0**. (See February 8, 2002, roll call on **HB 456** - Appendix.)

HB 456 was passed and the title agreed to.

Representative C. Belcher moved that the vote by which **HB 456** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 522 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Miller moved that **HB 522** be passed.

On the roll call the vote was: **Yeas 89, Nays 0**. (See February 8, 2002, roll call on **HB 522** - Appendix.)

HB 522 was passed and the title agreed to.

Representative Miller moved that the vote by which **HB 522** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 532 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Draud moved that **HB 532** be passed.

On the roll call the vote was: **Yeas 89, Nays 1**. (See February 8, 2002, roll call on **HB 532** - Appendix.)

HB 532 was passed and the title agreed to.

Representative Draud moved that the vote by which **HB 532** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 30 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Branham moved that **HJR 30** be adopted.

On the roll call the vote was: **Yeas 90, Nays 0**. (See February 8, 2002, roll call on **HJR 30** - Appendix.)

HJR 30 was adopted.

Representative Branham moved that the vote by which **HJR 30** was adopted be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Speaker Pro Tem Larry Clark assumed the Chair.

Representative Stumbo moved that the rules be suspended for Introductions of bills and Committee Reports. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 624, by Representative C. Belcher: AN ACT relating to reorganization.

HB 625, by Representatives Hoover and Marzian: AN ACT relating to worker's compensation.

HB 626, by Representative Rasche: AN ACT relating to extended school services.

HB 627, by Representative Lindsay: AN ACT relating to criminal justice records.

HB 628, by Representatives Comer and Scott: AN ACT relating to Commonwealth's attorneys and declaring an emergency.

HB 629, by Representative Gooch: AN ACT relating to local school district classified employees and declaring an emergency.

HB 630, by Representatives Burch, Heleringer, Meeks, Wayne, Stein, Bather and Marzian: AN ACT relating to the abolition of the death penalty.

HCR 123, by Representative Yonts: A CONCURRENT RESOLUTION urging the Governor to activate the Kentucky State Defense Force.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills been posted for Committee consideration:

Appropriations and Revenue: **HB 39, HB 180, HB 234, HB 284, HB 369, HB 457, HB 501, HB 517, HB 531, HB 577, HB 525, HB 526**

Education: **HB 593, HB 595**

Health and Welfare: **SB 89, SB 4**

Local Government: **HB 538, HB 609, HB 598**

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved to reassign **HB 499** to the Committee on Health and Welfare. Agreed

Representative Upchurch moved that the rules be suspended to act on a Resolution. Agreed.

Representative Upchurch moved the adoption of the following **HR 120**:

HR 120, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Mary Ann Hicks.

With deepest respect and admiration, we pay homage and tribute to Mary Ann Hicks, and we pause in silent reverence for her soul.

WHEREAS, Mary Ann Hicks was born on July 14, 1937, a native of Wayne County, Kentucky, and she traversed these earthly bounds on February 4, 2002; and

WHEREAS, Mary Ann Hicks was the loving daughter of the late Clyde V. Smith and Minda Brown Smith; she was the devoted wife of Marvin S. Hicks, and she was the loving mother of two daughters, Jill Hicks and Jan Lewis, and the loving mother of two sons, Forest Hicks and Gordon Hicks, all of Monticello, and she was the proud grandmother of four grandchildren; and

WHEREAS, Mary Ann Hicks was an esteemed member of the Wayne County community where she was a member of Monticello First Baptist Church, and she was a 1955 graduate of Monticello High School; she was a licensed funeral director and she and her husband, Marvin S. Hicks, Wayne County coroner since 1972, had co-owned and operated Marvin S. Hicks Funeral Home in Monticello, and at the time of her passing, she and her husband also were co-owners of Marvin S. Hicks Florist in Monticello; and

WHEREAS, the passing of Mary Ann Hicks has left a void that cannot be filled, and she is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Mary Ann Hicks, and extends to her family and many friends its most profound and deepest sympathy.

Section 2. The passion, dedication, intelligence, and social consciousness Mary Ann Hicks brought to her community and to this Commonwealth will never be forgotten.

Section 3. When the House of Representatives adjourns this day, Friday, February 8, 2002, it does so in loving memory and honor of Mary Ann Hicks.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mr. Marvin S. Hicks, 710 Kendrick Avenue, Monticello, Kentucky 42633.

There being no objection **HR 120** was adopted.

Representative Palumbo moved the adoption of the following **HR 121**:

HR 121, A RESOLUTION adjourning the House of Representatives in honor of Captain Trey Rawls, United States Air Force.

WHEREAS, Captain Trey Rawls was born on June 24, 1969, a native of Lexington, Fayette County, Kentucky; he is the loving son of Sharon Culp, and he is the devoted husband of Scotta Lynn Baker Rawls, and the proud father of two daughters, Keegan Ashley Rawls and Karson Sue-Ann Rawls; and

WHEREAS, Captain Trey Rawls graduated from Lafayette High School in 1987, and he graduated from the University of Kentucky in 1992 with a degree in electrical engineering, while under a full scholarship from the United States Air Force ROTC program; and, after which time he earned his master's degree in organizational management at George Washington University in Washington, D. C., while also working as an intern for high-ranking Pentagon officials; and

WHEREAS, in January 2001, Captain Trey Rawls, as a F-15 pilot, joined the 60th Fighter Squadron of the 33rd Fighter Wing at Eglin Air Force Base in Ft. Walton Beach, Florida, the largest Air Force base in the world; and

WHEREAS, Captain Trey Rawls is among 42 Air Force officers selected to attend the prestigious 48-week Air Force Test Pilot School at Edwards Air Force Base in California; test pilot school is comprised of rigorous academics, simulator training, and flight exercises, and graduates leave fully capable of testing any type of aircraft and aircraft system likely to be encountered throughout their careers, including all Air Force aircraft and some from other services and countries; and test pilots push these aircraft to their maximum limits to assure their capabilities during combat; and

WHEREAS, many space shuttle pilots have segued from test pilot squadrons into the space program at NASA, including Astronauts John Glenn, "Gus" Grissom, Chuck Yeager, Guy Gardner, Joe H. Engle, Ronald W. Yates, Eileen Collins, and Pam Melroy; and piloting a spacecraft is an ultimate goal of Captain Trey Rawls; and

WHEREAS, while Captain Trey Rawls has accomplished so very much during his career in the United States Air Force, he would be the first to acknowledge that the Grace of God is indeed awesome and phenomenal, and his strong religious beliefs have played a large role toward his success, and because of his strong convictions, he was chosen as the keynote Prayer Breakfast speaker at Eglin Air Force Base on February 6, 2002, the National Day of Prayer; and

WHEREAS, until Captain Trey Rawls reports to the Test Pilot School, he will continue to utilize his considerable skills flying combat air patrols in support of the Homeland Defense effort;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives is honored to recognize our native son, Captain Trey Rawls, not only for his outstanding achievements during his career in the United States Air Force, and his dedicated service to the citizens of this great country, but also as a man of insight, vision, and compassion, and one who has proven to be an element of invincible strength to all the lives he has touched. We are indeed proud that Captain Trey Rawls is a Kentuckian, and we wish to him continued success in all future endeavors.

Section 2. When the House of Representatives adjourns this day, it does so in honor of Captain Trey Rawls.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit copies of this Resolution to Captain Trey Rawls, 721 Osceola Circle, Eglin AFB, Florida 32542; and to Mrs. Sharon Culp, 2108 Maura Trace Drive, Lexington, Kentucky 40513.

There being no objection **HR 121** was adopted.

Representative Palumbo moved that a call of the roll be taken to show co-sponsors of **HR 121**.

On the roll call for co-sponsors of **HR 121** the vote was: **Yeas 47**. (See February 8, 2002, roll call to show co-sponsors on **HR 121** - Appendix.)

Representative Palumbo moved that the vote by which **HR 121** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Simpson moved the adoption of the following **HR 119**:

HR 119, A RESOLUTION expressing support for the establishment of the National Underground Railroad Freedom Center.

WHEREAS, The Underground Railroad is an American saga whose themes of freedom, cooperation, and courage reverberate throughout history. It is the story of the many enslaved blacks, free blacks, whites, and Native Americans who assisted the runaways and provided for their safe passage, food, and shelter on the road to freedom; and

WHEREAS, the National Underground Railroad Freedom Center will be a 158,000 square foot museum and learning center that will open in 2004 on the banks of the Ohio River joining Ohio and Kentucky. The Freedom Center will be set on the northern bank of the Ohio River in Cincinnati which was the "River Jordan" to many escaping slaves and the last natural barrier to the "Promised Land" and freedom; and

WHEREAS, the Freedom Center's exhibits will trace the rise and downfall of slavery during the very period when the United States proclaimed itself the citadel of freedom. They will also recount the exceptional lives of both legendary and little-known individuals in the Underground Railroad; and

WHEREAS, guests will travel along a re-created Underground Railroad route through virtual reality simulation and will experience both the fear and exhilaration that accompanied escape and emancipation; and

WHEREAS, visitors to the Freedom Center will have the opportunity to exchange their reactions and ideas about what they have seen and heard. An open, continuous dialogue on the subject of freedom is a key mission of the Freedom Center and an urgent priority in today's increasingly complex world; and

WHEREAS, the Freedom Center offers a broad range of educational programs tailored for children, adults, and teachers. "Freedom Curriculum" tools will offer middle-school teachers the latest research and scholarship on the Underground Railroad period and enable them to access additional research and historical materials online; and

WHEREAS, each week the Freedom Center's Web-site, www.undergroundrailroad.org, enlightens thousands of web visitors on Underground Railroad facts and offers such visitors an immediate way to express their thoughts on the meaning of freedom; and

WHEREAS, a research institute will electronically network museums, colleges, libraries, schools, and research centers throughout the United States. Students and scholars will be able to tap into the network to exchange the latest research on slavery as well as historical and contemporary freedom movements around the world; and

WHEREAS, Freedom Stations are being established throughout the country including many at known Underground Railroad sites as part of a nationwide network, with the Freedom Center at its hub, to share new research on the antebellum period and stimulate ideas on how the lessons of history might apply to ongoing search for freedom today;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The Kentucky House of Representatives encourages political, religious, county, union, and business leaders to stand together to support the National Underground Railroad Freedom Center.

Section 2. The Kentucky House of Representatives encourages:

(1) Promoting the use of Underground Railroad site preservation grants via the National Underground Railroad Network to Freedom Act of 1998 by Kentucky historians and preservationists;

(2) Promoting travel and tourism of Underground Railroad sites in Kentucky and throughout the United States; and

(3) Promoting the National Underground Railroad Freedom Center as an educational museum and learning center that will inspire guests and foster a renewed commitment to strengthen and promote freedom everywhere.

There being no objection **HR 119** was adopted.

The Speaker resumed the Chair.

Representative Graham moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Graham moved that he be recorded as voting "yea" on **HB 191**. Agreed.

Representative Webb moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Webb moved that she be recorded as voting "yea" on **HB 146, HB 416, HB 349, HB 449, HB 154,** and **HB 314**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 2 to the House Committee Substitute to **SCR 17**, by Representative Baugh:

On page 2, line 3, after "University," by inserting "the Executive Director of the Kentucky Council of Area Development Districts,".

Floor Amendment No. 2 to the Committee Substitute **HB 174**, by Representative Hoffman:

On page 8, line 22, after "***distribution***" delete "***, excluding interstate***"; and

On page 8, line 23, delete "***highways***"; and

On page 22, line 14, after "***roads***" delete "***, excluding interstate highways,***".

Floor Amendment No. 3 to the Committee Substitute **HB 174**, by Representative Webb:

On page 8, line 7, delete "***other county***" and insert "***any programs related to the environment***" in lieu thereof; and

On page 8, line 8, delete "***services***".

Floor Amendment No. 1 to **HB 528**, by Representative Jenkins:

On page 8, after line 4, by inserting a new section as follows:

"Section 3. KRS 161.120 is amended to read as follows:

(1) Except as described in KRS 161.795, the Education Professional Standards Board may revoke, suspend, or refuse to issue or renew; impose probationary or supervisory conditions upon; issue a written reprimand or admonishment; or any combination of those actions regarding any certificate issued under KRS 161.010 to 161.100, or any certificate or license issued under any previous law to superintendents, principals, teachers, substitute teachers, interns, supervisors, directors of pupil personnel, or other administrative, supervisory, or instructional employees for the following reasons:

(a) Being convicted of, or entering an "Alford" plea or plea of nolo contendere to, notwithstanding an order granting probation or suspending imposition of any sentence imposed following the conviction or entry of the plea, one (1) of the following:

1. A felony;
2. A misdemeanor under KRS Chapter 218A, 508, 509, 510, 522, 525, 529, 530, or 531; or

3. A misdemeanor involving a student or minor.

A certified copy of the conviction or plea shall be conclusive evidence of the conviction or plea;

(b) Having sexual contact as defined in KRS 510.010(7) with a student or minor. Conviction in a criminal proceeding shall not be a requirement for disciplinary action;

(c) Committing any act that constitutes fraudulent, corrupt, dishonest, or immoral conduct. If the act constitutes a crime, conviction in a criminal proceeding shall not be a condition precedent to disciplinary action;

(d) Demonstrating willful or careless disregard for the health, welfare, or safety of others;

(e) Physical or mental incapacity that prevents the certificate holder from performing duties with reasonable skill, competence, or safety;

(f) Possessing, using, or being under the influence of alcohol, which impairs the performance of duties;

(g) Unlawfully possessing or unlawfully using a drug during the performance of duties;

(h) Incompetency or neglect of duty;

(i) Making, or causing to be made, any false or misleading statement or concealing a material fact in obtaining issuance or renewal of any certificate;

(j) Failing to report as required by subsection (2) of this section;

(k) Failing to comply with an order of the Education Professional Standards Board;

(l) Violating any state statute relating to schools or the teaching profession;

(m) Violating the professional code of ethics for Kentucky school certified personnel established by the Education Professional Standards Board through the promulgation of administrative regulation;

(n) Violating any administrative regulation promulgated by the Education Professional Standards Board or the Kentucky Board of Education; or

(o) Receiving disciplinary action or having the issuance of a certificate denied or restricted by another jurisdiction on grounds that constitute a violation of this subsection.

(2) (a) The superintendent of each local school district shall report in writing to the Education Professional Standards Board the name, address, phone number, Social Security number, and position name of any certified school employee in the employee's district whose contract is terminated or not renewed, for cause except failure to meet local standards for quality of teaching performance prior to the employee gaining tenure; who resigns from, or otherwise leaves, a position under threat of contract termination, or nonrenewal, for cause; who is convicted in a criminal prosecution; or who otherwise may have engaged in any actions or conduct while employed in the school district that might reasonably be expected to warrant consideration for action against the certificate under subsection (1) of this section. The duty to report shall exist without regard to any disciplinary action, or lack thereof, by the superintendent, and the required report shall be submitted within thirty (30) days of the event giving rise to the duty to report.

(b) The district superintendent shall inform the Education Professional Standards Board in writing of the full facts and circumstances leading to the contract termination or nonrenewal, resignation, or other absence, conviction, or otherwise reported actions or conduct of the certified employee, that may warrant action against the certificate under subsection (1) of this section, and shall forward copies of all relevant documents and records in his possession.

(c) The Education Professional Standards Board may consider reports and information received from other sources.

(d) The certified school employee shall be given a copy of any report provided to the Education Professional Standards Board by the district superintendent or other sources. The employee shall have the right to file a written rebuttal to the report which shall be placed in the official file with the report.

(3) *The Education Professional Standards Board shall take no action upon any matter that is reported to it under subsection (2) of this section while the matter is under review by a court, or a tribunal appointed in accordance with KRS 161.790, or an impartial arbitrator selected under a collective bargaining agreement. If a court, or a tribunal appointed in accordance with KRS 161.790, or an impartial arbitrator selected under a collective bargaining agreement conducts a hearing and determines that the certified school employee should not be disciplined or penalized by his or her employer as a result of the matters that were reported under subsection (2) of this section, then the Education Professional Standards Board shall determine that the certified school employee did not violate subsection (1) of this section and shall not penalize or admonish the certified school employee based on the reported facts and circumstances. No other factual finding or legal conclusion made by a school superintendent, administrative body, or arbitrator shall be conclusive in any administrative proceeding conducted by the Education Professional Standards Board under this section*~~[A finding or action by a school superintendent or tribunal does not create a presumption of a violation or lack of a violation of subsection (1) of this section]~~.

(4) The board may issue a written admonishment to the certificate holder if the board determines, based on the evidence, that a violation has occurred that is not of a serious nature. A copy of the written admonishment shall be placed in the official file

of the certificate holder. The certificate holder may respond in writing to the admonishment within thirty (30) days of receipt and have that response placed in his official certification file. Alternatively, the certificate holder may file a request for a hearing with the board within thirty (30) days of receipt of the admonishment. Upon receipt of a request for a hearing, the board shall set aside the written admonishment and set the matter for hearing pursuant to the provisions of KRS Chapter 13B.

(5) (a) The Education Professional Standards Board shall schedule and conduct a hearing in accordance with KRS Chapter 13B:

1. Before revoking, suspending, refusing to renew, imposing probationary or supervisory conditions upon, issuing a written reprimand, or any combination of these actions regarding any certificate;

2. After denying an application for a certificate, upon written request filed within thirty (30) days of receipt of the letter advising of the denial; or

3. After issuing a written admonishment, upon written request for a hearing filed within thirty (30) days of receipt of the written admonishment.

(b) Upon request, a hearing may be public or private at the discretion of the certified employee or applicant.

(c) The hearing shall be conducted before the full board, a panel of three (3) members of the board, or a person appointed as hearing officer by the board pursuant to KRS 13B.030(1).

(6) The Education Professional Standards Board or its chair may take emergency action pursuant to KRS 13B.125. Emergency action shall not affect a certificate holder's contract or tenure rights in the school district.

(7) If the Education Professional Standards Board substantiates that sexual contact occurred between a certified employee and a student or minor, the employee's certificate may be revoked or suspended with mandatory treatment of the employee as prescribed by the Education Professional Standards Board. The Education Professional Standards Board may require the employee to pay a specified amount for mental health services for the student or minor which are needed as a result of the sexual contact.

(8) At any time during the investigative or hearing processes, the board may enter into an agreed order or accept an assurance of voluntary compliance with the certificate holder.

(9) The board may reconsider, modify, or reverse its decision on any disciplinary action.

(10) Suspension of a certificate shall be for a specified period of time, not to exceed two (2) years.

(a) At the conclusion of the specified period, upon demonstration of compliance with any educational requirements and the terms set forth in the agreed order, the certificate shall be reactivated.

(b) A suspended certificate is subject to expiration and termination.

(11) Revocation of a certificate is a permanent forfeiture. The board shall establish the minimum period of time before an applicant can apply for a new certificate.

(a) At the conclusion of the specified period, and upon demonstration of compliance with any educational requirements and the terms set forth in the agreed order, the applicant shall bear the burden of proof to show that he or she is again fit for practice.

(b) The board shall have discretion to impose conditions that it deems reasonably appropriate to ensure the applicant's fitness and the protection of public safety. Any conditions imposed by the board shall address or apply to only that time period after the revocation of the certificate.

(12) An appeal from any final order of the Education Professional Standards Board shall be filed in Franklin Circuit Court in accordance with KRS Chapter 13B.".

Floor Amendment No. 1 to the Committee Substitute **HB 77**, by Representative Yonts:

On page 1, line 3 after "***photograph***" insert "***, audio recording,***";

On page 1, line 5 after "***photograph***" insert "***, audio recording,***";

On page 1, line 6 after "***photograph***" insert "***, audio recording,***";

On page 1 from lines 11 through 14 delete "***An insurance company or beneficiary under an insurance policy for the purpose of processing a claim related to the decedent's death and with the written permission of the spouse or personal representative of the decedent, or the beneficiary under the insurance policy***" and insert the following in lieu thereof "***1. A beneficiary under an insurance policy, for the purpose of processing a claim related to the decedent's death; or***

2. An insurance company, with the written permission of the decedent's spouse or personal representative, for the purpose of processing a claim related to the decedent's death";

On page 1, line 22 after "***photograph***" insert "***, audio recording,***";

On page 1, line 25 after "***photograph***" insert "***, audio recording,***";

On page 2, line 1 after "***photograph***" insert "***, audio recording,***";

On page 2, line 3 after "***photograph***" insert "***, audio recording,***";
On page 2, line 5 after "***photograph***" insert "***, audio recording,***";
On page 2, line 9 after "***photograph***" insert "***, audio recording,***";
On page 2, line 10 after "***photograph***" insert "***, audio recording,***";
On page 2, line 12 after "***photograph***" insert "***, audio recording,***";
On page 2, line 18 after "***photograph***" insert "***, audio recording,***"; and
On page 2, line 27 after "***photograph***" insert "***, audio recording,***" and after "***video***" delete "***or audio*** ".

Floor Amendment No. 2 Title to **HB 77**, by Representative Yonts:

Amend title to read " AN ACT relating to autopsy photographs, audio recordings, and video recordings."

Floor Amendment No. 1 to the Committee Substitute No. 2 to **HB 189**, by Representative Vincent:

On page 6, line 9, after the period "***.***" insert the following:

"***The cabinet shall promulgate administrative regulations under KRS Chapter 13A to specify conditions that will cause a person to be denied a CDL instruction permit or CDL based upon the person's criminal history background check.***"

Floor Amendment No. 4 to the Committee Substitute to **HB 174**, by Representative Haydon:

On page 9, line 27, after "***Fund***" insert "***established in paragraph (f) of this subsection***"; and

On page 10, line 2, after "***(f)***" insert "***There is hereby established the Kentucky Parks Enhancement Fund as a restricted funds account that shall be administered by the Kentucky Department of Parks in order to receive and expend surplus Kentucky pride fund money in accordance with the purposes established in this paragraph.***".

Floor Amendment No. 3 to the House Committee Substitute to **SCR 17**, by Representative Allen:

On page 1, line 4, after "waters" by inserting ", except for owners of private water impoundments,".

Floor Amendment No. 1 to **HB 413**, by Representative Marzian:

On page 4, line 3, after "KRS 189.400 to 189.430," insert "***KRS 189.450 to 189.458, 189.4595 to 189.480,***" and bracket and strike through "189.450 to 189.480,"; and

On page 9, after line 3, insert a new subsection to read as follows:

"***(30) A person who violates the provisions of subsection (3), (4), or (5) of Section 1 of this Act shall be fined two hundred fifty dollars ($250) and the fine shall be used exclusively for the personal care assistance program under KRS 205.900 to 205.920.***".

Floor Amendment No. 2 to **HB 413**, by Representative Marzian:

On page 4, line 3, after "KRS 189.400 to 189.430," insert "***KRS 189.450 to 189.458, 189.4595 to 189.480,***" and bracket and strike through "189.450 to 189.480,"; and

On page 9, after line 3, insert a new subsection to read as follows:

"***(30) A person who violates the provisions of subsection (3), (4), or (5) of Section 1 of this Act shall be fined one hundred dollars ($100) and the fine shall be used exclusively for the personal care assistance program under KRS 205.900 to 205.920.***".

Floor Amendment No. 1 to **HJR 24**, by Representative Treesh:

In the preamble, by deleting the third and fourth "Whereas" clauses, and inserting the following in their place:

"WHEREAS, many farm crops, like corn, barley, soybeans, and sorghum, can be used to produce alternative fuels; and

WHEREAS, alternative fuel production and use in Kentucky can lead to greater market opportunities for Kentucky-grown farm crops to economic and environmental advantage; and"

On page 1, line 3, after the word "ethanol", by inserting the words "and biodiesel use and".

Floor Amendment No. 2 Title to **HJR 24**, by Representative Treesh:

Amend the title to read as follows: "A JOINT RESOLUTION creating the Subcommittee on Alternative Fuels of the Interim Joint Committee on Agriculture and Natural Resources.".

Floor Amendment No. 5 to the Committee Substitute to **HB 174**, by Representative Damron:

On page 2, lines 19 to 27, by deleting all the text thereon; and

On page 3, by deleting all the text thereon; and

On page 4, by deleting all the text thereon; and

On page 5, lines 1 to 3, by deleting all the text thereon; and

on line 4, by changing "***(4)***" to "***(1)***"; and

on line 5, after the first "***of***" by deleting "***one***" and inserting "***six***" and after "***dollar***" by deleting "***($1)***" and inserting "***($6)***"; and

on line 7, after "***monthly.***" by inserting "***For purposes of this section and Section 3 of this Act, "tipping fee" means a fee paid by operators for each ton of municipal solid waste disposed in the operator's municipal solid waste disposal facility.***"; and

on lines 8 to 17, by deleting all the text thereon; and

on line 18 by changing "***(6)***" to "***(2)***"; and

on line 22, after "***of***" by deleting "***the environmental impact fees and***"; and

on line 27, after "***the***" by deleting "***environmental impact fees and***"; and

On page 6, line 3, after "SECTION" by changing "4" to "3"; and

on line 6, after "***from***" by deleting "***environmental impact fees and***"; and

on line 7, after "***Section***" by deleting "***3***" and inserting "***2***"; and

on line 19, after "***the***" by deleting "***Environmental Impact***"; and

on line 20, before "***tipping***" by deleting "***Fees and the***"; and

On page 7, line 19, after "***Section***" by deleting "***6***" and inserting "***5***"; and

On page 10, line 15, by renumbering "Section 5" as "Section 4" and by renumbering the Section numbers thereafter to conform.

Floor Amendment No. 6 to the Committee Substitute to **HB 174**, by Representative Damron:

On page 10, after line 14, by inserting the following new subsection:

"***(3) Prior to granting the financial assistance provided under subparagraphs 1. and 2. of paragraph (b) and paragraph (c) of subsection (2) of this section, the cabinet shall require a county to provide a match of twenty-five percent (25%) of the total amount of the financial assistance to be awarded by the cabinet. The match provided by the county may include in-kind services.***"

Floor Amendment No. 7 to the Committee Substitute to **HB 174**, by Representative Webb:

On page 7, line 14, delete "***for other county services***" and insert "***for programs relating to the environment***" in lieu thereof.

Floor Amendment No. 8 to the Committee Substitute to **HB 174**, by Representative Palumbo:

On page 8, line 16, after "***recycling,***" to insert "***development of urban county parks***"; and

On page 9, line 14, to delete "***and***"; and

On page 9, line 15, after "***abatement***" to insert "***and development of urban county parks***"

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 140, Representative Meeks

HB 154, Representative Riggs

HB 155, Representative Riggs

HB 156, Representative Riggs

HB 157, Representative Riggs

HB 191, Representatives Coleman, Colter, McKee, and Westrom.

HB 293, Representatives Baugh and Vincent

HB 354, Representatives McKee and Yonts

HB 362, Representatives Graham and Richards

HB 385, Representative Vincent

HB 458, Representative Westrom

HB 469, Representatives R. Adams and Denham

HB 496, Representative Bowling

HB 528, Representative Rasche

HB 531, Representative Treesh

HB 542, Representative Sims

HB 607, Representative Dw. Butler.

The following member filed a request to have his name withdrawn as co-sponsor of the following Bill:

HB 314, Representative Stewart.

Announcements

The following meetings were announced:

Budget Review Subcommittee on Human Services: Monday, February 11, 2002, 2:00 p.m., Room 131

Women's Caucus: Tuesday, February 12, 2002

Adjournment

Representative Stumbo moved that the House adjourn until 4:00 p.m., on Monday, February 11, 2002.

The motion that the House adjourn until 4:00 p.m., Monday, February 11, 2002, was adopted by voice vote.

MONDAY, FEBRUARY 11, 2002

TWENTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Representative Bob Heleringer, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative Ballard moved that the reading of the Journal of Friday, February 8, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Introduction of Bills and Resolutions

HB 631, by Representative Webb: AN ACT relating to reorganization.

HB 632, by Representative Nunn: AN ACT relating to prevailing wage.

HB 633, by Representative Burch: AN ACT relating to worker's compensation.

HJR 124, by Representative Treesh: A JOINT RESOLUTION directing the Council on Postsecondary Education to conduct a study of states with merit-based scholarship programs to determine if developing reciprocity agreements to permit students to use scholarship awards among only those states that have reciprocity agreements is an appropriate policy direction.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Banking and Insurance: **SB 117**

Education: **HB 626, 629**

Judiciary: **HB 627, 628, 630**

Labor and Industry: **HB 625**

Local Government: **SB 143**

Natural Resources: **HB 623**

Seniors, Military Affairs and Public Safety: **HCR 123**

State Government: **HB 624, SB 33**

Transportation: **HJR 122**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Banking and Insurance: **HB 165**

Health and Welfare: **HB 617**

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report of Committees

Representative Stumbo moved to suspend the rules to allow for a Rules Committee Report. Agreed.

The Committee on Rules reported that **HB 87, HB 242, HB 329, HB 333, HB 22, HB 98, HB 344, HB 483,** and **HB 484** have been posted for passage in the Orders of the Day for February 12, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Banking and Insurance: **HB 280**

State Government: **HB 487**

Orders of the Day

HB 477, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Callahan moved the adoption of the Committee Substitute to **HB 477**. Agreed.

Representative Callahan moved that **HB 477**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 11, 2002, roll call on **HB 477** - Appendix.)

HB 477, by way of Committee Substitute, was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 477**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 548 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Denham moved that **HB 548** be passed.

On the roll call the vote was: **Yeas 82, Nays 7**. (See February 11, 2002, roll call on **HB 548** - Appendix.)

HB 548 was passed and the title agreed to.

Representative Denham moved that the vote by which **HB 548** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 430 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nesler moved that **HB 430** be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 11, 2002, roll call on **HB 430** - Appendix.)

HB 430 was passed and the title agreed to.

Representative Nesler moved that the vote by which **HB 430** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 341 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Haydon moved that **HB 341** be passed.

On the roll call the vote was: **Yeas 71, Nays 25**. (See February 11, 2002, roll call on **HB 341** - Appendix.)

HB 341 was passed and the title agreed to.

Representative Haydon moved that the vote by which **HB 341** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 394, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Westrom moved the adoption of the Committee Substitute to **HB 394**. Agreed.

Representative Westrom moved that **HB 394**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 95, Nays 0**. (See February 11, 2002, roll call on **HB 394** - Appendix.)

HB 394, by way of Committee Substitute, was passed and the title agreed to.

Representative Westrom moved that the vote by which **HB 394**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 464 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Westrom moved that **HB 464** be passed.

On the roll call the vote was: **Yeas 89, Nays 4**. (See February 11, 2002, roll call on **HB 464** - Appendix.)

HB 464 was passed and the title agreed to.

Representative Westrom moved that the vote by which **HB 464** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 24 with Floor Amendments taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Treesh moved that Floor Amendment No. 1 to **HJR 24** be adopted. Agreed.

Representative Moberly moved that **HJR 24**, as amended, be adopted.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 11, 2002, roll call on **HJR 24** - Appendix.)

HJR 24 was adopted.

Representative Moberly moved the adoption of Floor Amendment No. 2 Title to **HJR 24**. Agreed.

Representative Moberly moved that the vote by which **HJR 24**, as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 43 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kerr moved that **HCR 43** be adopted.

On the roll call the vote was: **Yeas 89, Nays 7**. (See February 11, 2002, roll call on **HCR 43** - Appendix.)

HCR 43 was adopted.

Representative Kerr moved that the vote by which **HCR 43** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 453 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riggs moved that **HB 453** be passed.

On the roll call the vote was: **Yeas 89, Nays 7**. (See February 11, 2002, roll call on **HB 453** - Appendix.)

HB 453 was passed and the title agreed to.

Representative Riggs moved that the vote by which **HB 453** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 23, with Senate Committee Substitute and Senate Committee Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage for concurrence or non concurrence in Senate Amendments. Agreed.

The Senate Committee Substitute to **HB 23** is as follows:

HB 23, AN ACT relating to absentee voting and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.077 is amended to read as follows:

In case of a medical emergency within ***fourteen (14)***[~~seven (7)~~] days or less of an election, a registered voter ***and the registered voter's spouse*** may apply for an absentee ballot. The application shall state that the emergency condition occurred within the ***fourteen (14)***[~~seven (7)~~] day period***. The application***[~~ and~~] shall be notarized. The application form ***may be requested by and delivered by***[~~shall be restricted to the use of~~] the voter or the spouse, parents***,*** or children of the voter. If the voter has no spouse, parents***,*** or children, the application form ***may be requested by and delivered by***[~~shall be restricted to the use of the voter or~~] the brother, sister, niece***,***[~~ or~~] nephew***, or designee*** of the voter. ***The application form shall be restricted to the use of the voter.*** Upon receipt of the application and verification, the county clerk shall issue an absentee ballot.

Section 2. KRS 117.085 is amended to read as follows:

(1) All requests for an application for an absentee ballot may be transmitted by telephone, facsimile machine, by mail, or in person. Except as provided in paragraph (b) of this subsection, all applications for an absentee ballot shall be transmitted only by mail ***to the voter*** or in person at the option of the voter, except that the county clerk shall hand an application for an absentee ballot to a voter permitted to vote by absentee ballot who appears in person to request the application, or shall mail the application to a voter permitted to vote by absentee ballot who requests the application by telephone, facsimile machine, or mail. The absentee ballot application ***may be requested by the voter, the spouse, parents, or children of the voter, but*** shall be restricted to the use of the voter[~~ or the spouse, parents, or children of the voter~~]. Except for qualified voters who apply pursuant to the requirements of KRS 117.075 and 117.077,[~~ and~~] those who are incarcerated in jail but have yet to be convicted***, military personnel confined to a military base on election day,*** and persons who qualify under subparagraph ***6.***[~~5.~~] of paragraph (a) of this subsection, no absentee ballots shall be mailed to a voter who resides within the county in which he is registered. In the case of ballots returned by mail, the county clerk shall provide an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting to a voter who presents a completed application for an absentee ballot as provided in this section and who is properly registered as stated in his application.

(a) The following voters may apply to cast their votes by ***mail-in*** absentee ballot ***if the application is received***[~~at any time~~] not later than the close of business hours seven (7) days before the election:

1. Voters permitted to vote by absentee ballot pursuant to KRS 117.075;
2. Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and citizens residing overseas;
3. Students who temporarily reside outside the county of their residence and other voters who temporarily reside outside the state but who are still eligible to vote in this state;
4. Persons who are incarcerated in jail who have been charged with a crime but have not been convicted of the crime;[~~ and~~]
5. ***Voters who change their place of residence to a different state while the registration books are closed in the new state of residence before an election of electors for President and Vice President of the United States, who shall be permitted to cast an absentee ballot for electors for President and Vice President of the United States only; and***

6. Persons who are prevented from voting in person at the polls on election day and from casting an absentee ballot in person in the county clerk's office on all days absentee voting is conducted prior to election day because their employment location requires them to be absent from the county all hours and all days absentee voting is conducted in the county clerk's office.

(b) Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and overseas citizens, may apply for an absentee ballot by means of the federal post-card application, which may be transmitted to the county clerk's office by mail or by facsimile machine. The application may be used to register, reregister, and to apply for an absentee ballot. If the federal post-card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to the application form upon receipt.

(c) ***Absentee voting shall be conducted in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections during normal business hours for at least the twelve (12) working days before the election. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election.***

(d) Any[~~ other~~] qualified voter in the county who is not permitted to vote by absentee ballot under paragraph (a) of subsection (1) of this section who shall be absent from the county on any election day may, at any time during normal business hours on ***those days absentee voting is conducted in the county clerk's office***[~~at least any of the~~

~~twelve (12) working days before the election~~], make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.[~~ A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election prescribed above.~~]

(e) Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and citizens residing overseas who shall be absent from the county on any election day may, at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.

(f) Students who temporarily reside outside the county of their residence and other voters who temporarily reside outside the state but who are still eligible to vote in this state who shall be absent from the county on any election day may, at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.

(g) Voters who have surgery scheduled that will require hospitalization on election day, and the spouse of the voter, may, at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.

(h) Voters who change their place of residence to a different state while the registration books are closed in the new state of residence before a presidential election shall be permitted to cast an absentee ballot for President and Vice President only, by making application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.

(i)[~~(d)~~] Any member of the county board of elections, any precinct election officer appointed to serve in a precinct other than that in which he is registered,[~~ and~~] any alternate precinct election officer***, any deputy county clerk, any staff for the State Board of Elections, and any staff for the county board of elections*** may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. The application form for those persons shall be prescribed by the State Board of Elections and, in the case of application by precinct election officers, shall contain a verification of appointment signed by a member of the county board of elections. If an alternate precinct election officer or a precinct election officer appointed to serve in a precinct other than that in which he is registered receives his appointment while absentee voting is being conducted in the county, such officer may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. In case of such voters, the verification of appointment shall also contain the date of appointment. The applications shall be restricted to the use of the voter only.

(j)[~~(e)~~] Any pregnant woman who is in her last trimester of pregnancy at the time she wishes to vote under this paragraph may ***at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application to*** vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections.[~~ She may vote at any time during business hours on at least any of the twelve (12) working days before the election up to the close of business hours on the day before the election.~~] The application form for those persons shall be prescribed by the State Board of Elections, which shall contain the woman's sworn statement that she is in fact in her last trimester of pregnancy at the time she wishes to vote[~~, and shall be made in person to the county clerk, at any time during any of the twelve (12) working days before the election. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election as prescribed above~~].

(k)[~~(f)~~] The members of the county board of elections or their designees who provide equal representation of both political parties may serve as precinct election officers, without compensation, for all absentee voting performed on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. If the members of the county board of elections or their designees serve as precinct election officers for the absentee voting, they shall perform the same duties and exercise the same authority as precinct election officers who serve on the day of an election. If the members of the county board of elections or their designees do not serve as precinct election officers for the absentee voting, the county clerk or deputy county clerks shall supervise the absentee voting.

(l)[~~(g)~~] Any individual qualified to appoint challengers for the day of an election may also appoint challengers to observe all absentee voting performed at the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, and those challengers may exercise the same privileges as challengers appointed for observing voting on the day of an election at a regular polling place.

(2) The clerk shall type the name of the voter permitted to vote by absentee ballot on the application form for that person's use

and no other. The absentee ballot application form shall be in the form prescribed by the State Board of Elections, shall bear the seal of the county clerk, and shall contain the following information: name, residential address, precinct, party affiliation, statement of the reason the person cannot vote in person on election day, statement of where the voter shall be on election day, statement of compliance with residency requirements for voting in the precinct, and the voter's mailing address for an absentee ballot. The form shall be verified and signed by the voter. A notice of the actual penalty provisions in KRS 117.995(2) and (5) shall be printed on the application.

(3) If the county clerk finds that the voter is properly registered as stated in his application and qualifies to receive an absentee ballot by mail, he shall mail to the voter an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting. The county clerk shall complete a postal form for a certificate of mailing for ballots mailed within the fifty (50) states, and it shall be stamped by the postal service when the ballots are mailed. An absentee ballot may be transmitted by facsimile machine to a resident of Kentucky who is a member of the Armed Forces, a dependent of a member of the Armed Forces, or a citizen residing overseas.

(4) Absentee ballots which are requested prior to the printing of the ballots shall be mailed by the county clerk to the voter within three (3) days of the receipt of the printed ballots; and absentee ballots which are requested subsequent to the receipt of the ballots by the county clerk shall be mailed to the voter within three (3) days of the receipt of the request.

(5) The clerk shall cause ballots to be printed fifty (50) days prior to each primary or general election and fifteen (15) days prior to each runoff primary.

(6) The outer envelope shall bear the words "Absentee Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address,[~~ and~~] precinct number***, and signatures of two (2) witnesses if the voter signs the form with the use of a mark instead of the voter's signature***. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number, ***signatures of two (2) witnesses if the voter signs the form with the use of a mark instead of the voter's signature*** and notice of penalty provided in KRS 117.995(5). The clerk shall type the voter's address and precinct number in the upper left hand corner of the outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application and the postal form required by subsection (3) of this section for twenty-two (22) months after the election.

(7) Any person who has received an absentee ballot by mail but who knows at least seven (7) days before the date of the election that he will be in the county on election day and who has not voted pursuant to the provisions of KRS 117.086 shall cancel his absentee ballot and vote in person. He shall return his absentee ballot to the county clerk's office no later than seven (7) days prior to the date of the election. Upon the return of the absentee ballot, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Canceled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent absentee ballots, and the voter may vote in the precinct in which he is properly registered.

(8) Any voter qualified for a mail-in absentee ballot who does not receive a requested mail-in ballot within a reasonable amount of time shall contact the county clerk, who shall reissue a second ballot. The county clerk shall keep a record of the absentee ballots issued and returned by mail, and the absentee voting that is performed on the voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections, to verify that only the first voted ballot to be returned by the voter is counted. Upon the return of any ballot after the first ballot is returned, the clerk shall mark on the outer envelope of the sealed ballot the words "Cancelled because ballot reissued".

Section 3. KRS 117.086 is amended to read as follows:

(1) The voter returning his absentee ballot by mail shall mark his ballot, seal it in the inner envelope and then in the outer envelope and mail it to the county clerk as shall be provided by this chapter. The voter shall sign the detachable flap and the outer envelope in order to validate the ballot. ***A person having power of attorney for the voter and who signs the detachable flap and outer envelope for the voter shall complete the voter assistance form as required by KRS 117.255. The signatures of two (2) witnesses are required if the voter signs the form with the use of a mark instead of the voter's signature.*** A resident of Kentucky who is a member of the Armed Forces, a dependent of a member of the Armed Forces, or a citizen residing overseas who has received an absentee ballot transmitted by facsimile machine shall transmit the voted ballot to the county clerk by mail only, conforming with ballot security requirements that may be promulgated by the state board by administrative regulation. In order to be counted, the ballots shall be received by the clerk by at least the time established by the election laws generally for the closing of the polls, which time shall not include the extra hour during which those voters may vote who were waiting in line to vote at the scheduled poll closing time.

(2) Any voter who shall be absent from the county on election day, but who does not qualify to receive an absentee ballot by mail under the provisions of KRS 117.085, and all ***voters***[~~members of county boards of elections, precinct election officers, and pregnant women~~] qualified to vote prior to the election under the provisions of KRS 117.085, shall vote at the main office of the county clerk or other place designated by the county board of elections, and approved by the State Board of Elections, prior to the day of election. The clerk may provide for such voting by the voting equipment in general use in the county either at the precinct, the equipment as may be used to tabulate absentee ballots, or any other voting equipment approved by the State Board of Elections for use in Kentucky, except as follows:

(a) Any voter qualifying to vote in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, who receives assistance to vote shall complete the voter assistance form required by KRS 117.255.

(b) Any voter qualifying to vote in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, whose qualifications are challenged by any clerk or deputy shall complete an "Oath of Voter" affidavit.

(3) When the clerk uses general voting equipment as provided for in subsection (2) of this section, each voter casting his vote at the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, shall sign an "Absentee Ballot Signature Roster."

(4) The clerk shall designate a location within his office where the ballots shall be cast secretly. The county clerk, with the approval of the State Board of Elections, may establish locations other than his main office in which the voters may execute their ballots. Public notice of the locations shall be given pursuant to KRS Chapter 424 and similar notice by mail shall be given to the county chairmen of the two (2) political parties whose candidates polled the largest number of votes in the county at the last general election.

(5) The State Board of Elections shall promulgate administrative regulations to provide for casting ballots as provided in subsection (2) of this section.

(6) The clerk shall deposit all of the absentee ballots returned by mail in a locked ballot box immediately upon receipt without opening the outer envelope. The ballot box shall be locked with three (3) locks. The keys to the box shall be retained by the three (3) members of the central absentee ballot counting board, if one is appointed, or by the members of the board of elections, and the box shall remain locked until the ballots are counted. All voting equipment on which ballots are cast as permitted in subsection (2) of this section shall also remain locked and the keys shall be retained by the three (3) members of the central absentee ballot counting board, if one is appointed, or by the members of the board of elections, and the equipment shall remain locked until the ballots are counted.

(7) The clerk shall keep a list of all persons who return their absentee ballots by mail or cast their ballots in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, and send a copy of that list to the state board after election day. The county clerk and the Secretary of State shall keep a record of the number of votes cast by absentee ballots returned by mail and on the voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, cast in any election as a part of the official returns of the election.

(8) The county board of elections shall report to the State Board of Elections within ten (10) days after any primary or general election as to the number of rejected absentee ballots and the reasons for rejected absentee ballots on a form prescribed by the State Board of Elections in administrative regulations promulgated under KRS Chapter 13A.

Section 4. KRS 117.087 is amended to read as follows:

(1) The challenge of an absentee ballot returned by mail shall be in writing and in the hands of the county clerk before 3:00 p.m. on election day.

(2) The county board of elections shall count the absentee ballots returned by mail and the votes cast on the voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. The board may appoint a central ballot counting board of not less than three (3) members, who shall be qualified voters and no more than two-thirds (2/3) of whom shall be members of the same political party, to count the ballots at the direction of the county board of elections.

(3) Beginning at 3:00 p.m. on election day, the board shall meet at the clerk's office to count the absentee ballots returned by mail and the ballots cast on the voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. Candidates or their representatives shall be permitted to be present. The county board of elections shall authorize representatives of the news media to observe the counting of the ballots. The board shall open the boxes containing absentee ballots returned by mail and remove the envelopes one (1) at a time. As each envelope is removed, it shall be examined to ascertain whether the outer envelope and the detachable flap are in proper order and have been signed by the voter. ***A person having power of attorney for the voter and who signs the detachable flap and outer envelope for the voter shall complete the voter assistance form required by KRS 117.255. The signatures of two (2) witnesses are required if the voter signs the form with the use of a mark instead of the voter's signature.*** All unsigned absentee ballots shall be rejected automatically. The chairman of the county board of elections shall compare the signatures on the outer envelope and the detachable flap with the signature of the voter that appears on the registration card. If the outer envelope and the detachable flap are found to be in order, the chairman shall read aloud the name of the voter. If the vote of the voter is not rejected on a challenge then made as provided in subsection (4) of this section, the chairman shall remove the detachable flap and place the inner envelope unopened in a ballot box which has been provided for the purpose.

(4) When the name of a voter who cast an absentee ballot by mail is read aloud by the chairman, the vote of the voter may be challenged by any board member or by the written challenge provided in subsection (1) of this section and the challenge may be determined and the vote accepted or rejected by the board as if the voter was present and voting in person; but if the outer envelope and the detachable flap are regular, and substantially comply with the provisions of this chapter, they

shall be considered as showing that the voter is prima facie entitled to vote. If the vote of a voter is rejected pursuant to the challenge, the inner envelope shall not be opened, but returned to the outer envelope upon which the chairman shall write on the envelope the word "rejected".

(5) After the challenges have been made and all the blank inner envelopes have been placed in a ballot box, the box shall be thoroughly shaken to redistribute the absentee ballots in the box. The board shall open the ballot box, remove the absentee ballots from the inner envelopes, and count the ballots.

(6) The board shall unlock any voting equipment used to cast ballots in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, as provided for in KRS 117.086 and a total of all ballots shall be made and recorded on the form provided by the State Board of Elections.

(7) The county board of elections ***and the county clerk*** shall ***not*** make public the ***absentee*** ballot results determined as provided in this section ***until*** after 6 p.m. ***prevailing time.***

Section 5. KRS 117.055(3), KRS 117.056, and any other provision of law to the contrary notwithstanding, county boards of elections shall meet immediately following the effective date of this Act for the purpose of altering election precinct boundaries to bring them into compliance with the new county commissioner and justice of the peace districts drawn under KRS 67.045 and in accordance with KRS 117.055(1). Any redrawing of precinct boundaries required under this section shall be accomplished no later than forty-five (45) days after the effective date of this Act. Any other provision of law to the contrary notwithstanding, the State Board of Elections shall adopt an expedited schedule so that the alteration of precinct boundaries under this section can be accomplished within the time frame established by the State Board of Elections.

Section 6. Whereas this Act relates to absentee voting and it is necessary for these provisions to be in place prior to the 2002 primary election, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Representative A. Arnold moved that the House concur in the Senate Committee Substitute to **HB 23**. Agreed.

Representative A. Arnold moved that **HB 23**, by way of Senate Committee Substitute, be passed.

On the roll call the vote was: **Yeas 100, Nays 0**. (See February 11, 2002, roll call on **HB 23** - Appendix.)

HB 23, by way of Senate Committee Substitute, was passed.

Representative A. Arnold moved that the House concur in the Senate Committee Amendment No. 1 Title to **HB 23**. Agreed.

The Senate Committee Amendment No. 1 Title to **HB 23** is as follows:

HB 23,

Amend the title to read as follows: "AN ACT relating to elections and declaring an emergency."

Representative A. Arnold moved that the vote by which **HB 23**, by way of Senate Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 65 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Denham moved that **HCR 65** be adopted.

On the roll call the vote was: **Yeas 98, Nays 0**. (See February 11, 2002, roll call on **HCR 65** - Appendix.)

HCR 65 was adopted.

Representative Denham moved that the vote by which **HCR 65** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 64 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HCR 64** be adopted.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 11, 2002, roll call on **HCR 64** - Appendix.)

HCR 64 was adopted.

Representative Thomas moved that the vote by which **HCR 64** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 66 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HCR 66** be adopted.

On the roll call the vote was: **Yeas 99, Nays 0**. (See February 11, 2002, roll call on **HCR 66** - Appendix.)

HCR 66 was adopted.

Representative Thomas moved that the vote by which **HCR 66** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 95 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bruce moved that **HCR 95** be adopted.

On the roll call the vote was: **Yeas 99, Nays 0**. (See February 11, 2002, roll call on **HCR 95** - Appendix.)

HCR 95 was adopted.

Representative Bruce moved that the vote by which **HCR 95** was adopted be reconsidered and said motion be placed on the table. Agreed.

HJR 102 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative C. Belcher moved that **HJR 102** be adopted.

On the roll call the vote was: **Yeas 99, Nays 0**. (See February 11, 2002, roll call on **HJR 102** - Appendix.)

HJR 102 was adopted.

Representative C. Belcher moved that the vote by which **HJR 102** was adopted be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for Introductions of Bills and Committee Reports. Agreed.

Representative Stumbo moved to waive the posting requirement on the following: **HB 523, HB 605, HB 612,** and **HB 614**. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 634, by Representatives Treesh, Webb, and Heleringer: AN ACT relating to the taxation of mobile telecommunications.

HB 635, by Representative Yonts: AN ACT relating to sales and use taxes.

HB 636, by Representative Jenkins: AN ACT relating to heating, ventilation, and air conditioning contractors.

HB 637, by Representative Rasche: AN ACT relating to the Kentucky Retired Teachers' Retirement System and declaring an emergency.

HB 638, by Representative Nunn: AN ACT relating to facilities operated by the Department for Juvenile Justice.

HB 639, by Representative P. Clark: AN ACT relating to penalties for a violation of traffic regulations.

HB 640, by Representative Branham: AN ACT relating to real property of the Commonwealth.

HB 641, by Representative Draud: AN ACT relating to water districts.

HB 642, by Representatives Damron and Ballard: AN ACT relating to the Department of Veterans' Affairs employees.

HCR 125, by Representatives R. Adams, Heleringer, Scott, Dw. Butler, L. Belcher, McKee, Thomas, J. Arnold, and Wilkey: A CONCURRENT RESOLUTION reauthorizing the Task Force on Funding for Wildlife conservation.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Agriculture and Small Business: **HB 576, SB 86, SCR 47**

Education: **HB 621**

Licensing and Occupations: **HB 605**

Motions, Petitions, and Communications (Continued)

Representative Ballard moved the adoption of the following **Legislative Citation No. 35**.

The House of Representatives of the Commonwealth of Kentucky hereby extends its sincerest condolences and genuine expression of sympathy for the grievous death of John Robert Henry for inasmuch as death, like life, is a gift from God, it is inevitable that this honoree is destined to sit at the foot of the cross for his exceptional bravery and loyalty throughout his service in the Army Air Corps during World War II; and has most surely earned a jewel in his sacred crown for the honorable manner in which e lead his life. Therefore, this prestigious body doth hereby recognize the gentleman as a hero as reflected for all time, in his American Theater Ribbon, his Asiatic Pacific Theater Ribbon, the World War II Bronze Star Good Conduct Medal and the World War II Victory Medal. Members of the Kentucky House of Representatives reach out to the Henry family, his wife, Rosemary, and his sons and daughter, offering heartfelt condolences and adjourning the House, February 11, 2002, in memory of John Robert Henry. Done in Frankfort, Kentucky this eleventh day of February, in the year two thousand and two.

Legislative Citation No. 35 was adopted without objection.

Representative Damron moved to withdraw Floor Amendment No. 5 to the Committee Substitute to **HB 174**. Agreed.

Representative Richards moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Richards moved that he be recorded as voting "yea" on **HB 548**. Agreed.

Representative Nesler moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Nesler moved that he be recorded as voting "yea" on **HB 548** and **HCR 65**. Agreed.

Representative Bowling moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bowling moved that he be recorded as voting "yea" on **HCR 95**. Agreed.

Representative C. Belcher moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative C. Belcher moved that she be recorded as voting "yea" on **HB 138**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 9 to the Committee Substitute to **HB 174**, by Representative Hoover:

Beginning with page 2, line 10 and continuing to the end of line 2 on page 6, delete Sections 2 and 3 in their entirety and renumber the subsequent sections accordingly; and

On page 6, lines 6 and 7, delete "***to receive money collected from environmental impact fees and tipping fees established in Section 3 of this Act***" and insert in lieu thereof "***. Thirty million dollars ($30,000,000) shall be transferred from the highway contingency fund within the Transportation Cabinet into the Kentucky Pride Fund in each year of the 2002-2004 biennium***"; and

On page 6, lines 14 and 15, delete "***, less the costs reimbursed to the Revenue Cabinet,***"; and

On page 6, delete lines 18, 19, and 20 in their entirety; and

On page 6, line 21, delete "*2.*" and insert "*1.*" in lieu thereof; and

On page 6, line 23, delete "*3.*" and insert "*2.*" in lieu thereof; and

On page 7, line 19, delete "*6*" and insert "*4*" in lieu thereof; and

On page 28, line 18, delete "*6*" and insert "*4*" in lieu thereof; and

On page 31, line 25, delete "*7*" and insert "*5*" in lieu thereof; and

On page 31, line 26, delete "*9*" and insert "*7*" in lieu thereof.

Floor Amendment No. 2 to **HB 193**, by Representative Riggs:

After the enacting clause, delete the entire bill and replace with the following:

"Section 1. KRS 434.840 is amended to read as follows:

For the purposes of ***Sections 1 to 7 of this Act***[~~KRS 434.845 and 434.850~~], the following words***,*** [~~(~~]including any form of the word***,***[~~)~~] and terms shall have the following meanings:

(1) "Access" means to approach, instruct, communicate with, ***manipulate,*** store data in, retrieve or intercept data from, or otherwise make use of any resources of, a computer, computer system, or computer network;

(2) "Computer" means ***any***[~~a~~] device***, equipment, or facility that uses a computer program or other instructions, stored either temporarily or permanently, to perform specific operations including, but not limited to, logical, arithmetic, or memory functions with or on data or a computer program that can store, retrieve, alter, or communicate the results of the operations to a person, computer program, computer, computer system, or computer network***[~~that can perform substantial computation, including numerous arithmetic or logic operations, without intervention by a human operator during the processing of a job~~];

(3) "Computer network" means ***an interconnection***[~~a set~~] of two (2) or more ***devices used for the purpose of transmitting any combination of voice, video, or data including, but not limited to, bridges, routers, switches, antennas, or towers connected by hardwire or wireless communications lines***[~~computer systems that transmit data over communication circuits connecting them~~];

(4) "Computer program" means ***a set***[~~an ordered set~~] of [~~data that are coded~~]instructions or statements ***and related data*** that***,*** when executed ***in actual or modified form, cause***[~~by~~] a computer***, computer system, or*** [~~cause the~~]computer ***network*** to ***perform specified functions***[~~process data~~];

(5) "Computer software" means [~~a set of~~]computer programs, procedures, ***or***[~~and~~] associated documentation concerned with the operation of a computer, computer system, or computer network ***for system control or processing of data***;

(6) "Computer system" means a set of ***related***[~~connected devices including a~~] computer ***equipment,*** [~~and other~~]devices***,*** [~~including, but not limited to, one (1) or more of the following:~~]data***, software, or hardware that is designed to perform a specific function***[~~ input, output, or storage devices, data communication circuits, and operating system computer programs that make the system capable of performing data processing tasks~~];

(7) "Data" ***means***[~~is~~] a representation of information, knowledge, facts, concepts, or instructions which are being prepared or have been prepared in a formalized manner, and is intended to be stored or processed, or is being stored or processed, or has been stored or processed, in a computer, computer system or computer network;

(8) ***"Device" includes, but is not limited to, an electronic, magnetic, electrochemical, biochemical, hydraulic, optical, or organic object that performs input, output, or storage functions by the manipulation of electronic, magnetic, or other impulses;***

(9) "Effective consent" means consent by a person legally authorized to act for the owner. Consent is not effective if it is:

(a) Induced by deception or coercion;

(b) Given by a person who the actor knows is not legally authorized to act for the owner;

(c) Given by a person who by reason of age, mental disease or defect, or intoxication is known by the actor to be unable to make responsible property or data dispositions; or

(d) Used for a purpose other than that for which the consent is given;

(10) "Financial instruments" includes, but is not limited to, any check[~~, cashier's check~~], draft, warrant, money order, certificate of deposit, negotiable instrument, letter of credit, bill of exchange, credit ***or***[~~card,~~] debit card, ***transaction authorization mechanism,***[~~or~~] marketable security, or any ***electronic***[~~computer system~~] representation thereof;

(11)[~~(9)~~] "Intellectual property" includes data, ***text, images, sound, codes, computer programs, software, or databases*** which may be in any form including, but not limited to, computer printouts, magnetic storage media, punched cards, or ***which*** may be stored internally in the memory of a computer;

(12) "Loss or damage" means the result of accessing, attempting to access, or causing to be accessed, without effective consent, any computer software, computer program, data, computer, computer system, computer network, or any part thereof, including, but not limited to, theft, alteration, or destruction of data, security breaches, or disruption of services;

(13) "Owner" means a person who has title, license, or other lawful possession of the property, a person who has the right to restrict access to the property, or a person who has a greater right to possession of the property than the actor;

(14)[~~(10) "To process" is to use a computer to put data through a systematic sequence of operations for the purpose of producing a specified result;~~

~~(11)~~] "Property" includes, but is not limited to, intellectual property, financial instruments, data, computer programs, documentation associated with data, computers, computer systems and computer programs, all in machine-readable or human-readable form, and any tangible or intangible item of value; and

(15)[~~(12)~~] "Services" includes, but is not limited to, the use of a computer, a computer system, a computer network, computer software, computer program, or data to perform tasks.

Section 2. KRS 434.845 is amended to read as follows:

(1) A person is guilty of unlawful access to a computer in the first degree when he ***or she, without the effective consent of the owner,*** knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof, for the purpose of:

(a) Devising or executing any scheme or artifice to defraud; or

(b) Obtaining money, property, or services for themselves or another by means of false or fraudulent pretenses, representations, or promises[~~; or~~

~~(c) Altering, damaging, destroying, or attempting to alter, damage, or destroy, any computer, computer system, or computer network, or any computer software, program, or data~~].

(2) [~~Accessing, attempting to access, or causing to be accessed any computer software, computer program, data, computer, computer system, computer network, or any part thereof, even though fraud, false or fraudulent pretenses, representations, or promises may have been involved in the access or attempt to access shall not constitute a violation of this section if the sole purpose of the access was to obtain information and not to commit any other act proscribed by this section.~~

~~(3)~~]Unlawful access to a computer in the first degree is a Class C felony.

Section 3. KRS 434.850 is amended to read as follows:

(1) A person is guilty of unlawful access to a computer in the second degree when he ***or she,*** without ***the effective consent of the owner,***[~~authorization~~] knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof***, which results in the loss or damage of three hundred dollars ($300) or more***.

(2) Unlawful access to a computer in the second degree is a Class ***D felony***[~~A misdemeanor~~].

SECTION 4. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of unlawful access in the third degree when he or she, without the effective consent of the owner, knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof, which results in the loss or damage of less than three hundred dollars ($300).

(2) Unlawful access to a computer in the third degree is a class A misdemeanor.

SECTION 5. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of unlawful access in the fourth degree when he or she, without the effective consent of the owner, knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof, which does not result in loss or damage.

(2) Unlawful access to a computer in the fourth degree is a class B misdemeanor.

Section 6. KRS 434.855 is amended to read as follows:

(1) A person is guilty of misuse of computer information when he ***or she***:

(a) Receives, conceals, or uses, or aids another in doing so, any proceeds of a violation of KRS 434.845; or

(b) Receives, conceals, or uses or aids another in doing so, any books, records, documents, property, financial instrument, computer software, computer program, or other material, property, or objects, knowing the same to have been used in or obtained from a violation of KRS 434.845.

(2) Misuse of computer information is a Class C felony.

Section 7. KRS 434.860 is amended to read as follows:

For the purpose of venue under the provisions of ***Sections 2, 3, 4, 5, or 6 of this Act***[~~KRS 434.845, 434.850 or 434.855~~], any violation of ***Sections 2, 3, 4, 5, or 6 of this Act***[~~KRS 434.845, 434.850 or 434.855~~] shall be considered to have been committed: in any county in which any act was performed in furtherance of any transaction violating ***Sections 2, 3, 4, 5, or 6 of this Act***[~~KRS 434.845, 434.850 or 434.855~~]; in any county in which any violator had control or possession of any proceeds of said violation or of any books, records, documents, property, financial instrument, computer software, computer program or other material, objects or items which were used in furtherance of said violation; and in any county from which, to which or through which any access to a computer, computer system, or computer network was made whether by wires, electromagnetic waves, microwaves or any other means of communication."

Floor Amendment No. 1 to the Committee Substitute to **HB 314**, by Representative Lindsay:

On page 10, line 7, following "*Government*" to insert "*, with the consent of the parties as to the mediator,*"; and

On page 10, between lines 9 and 10, to insert the following:

"*(4) The mediator shall render his or her final report on the matter not later than ninety (90) days following the final submission of the matter to the mediator.*

(5) The mediator's report shall not be binding upon any party and any tax base coordination agreement offered but not agreed to shall be void."

Floor Amendment No. 10 to the Committee Substitute to **HB 174**, by Representative Lindsay:

On page 52, between lines 4 and 5, to insert the following:

"SECTION 24. A NEW SECTION OF KRS CHAPTER 224.43 IS CREATED TO READ AS FOLLOWS:

Exclusive venue for any appeal of a violation, determination, finding of noncompliance, or any other action of the Finance and Administration Cabinet, Natural Resources and Environmental Protection Cabinet, or other state agency relating to any county, urban-county, charter county, merged county government, city, special district, or other person specified in subchapter 43 of KRS Chapter 224, KRS 30A.190, 109.011, 109.041, 109.0415, 109.042, 109.056, 109.059, 109.300, 109.310, 224A.011, 224A.100, 431.100, 433.753, 433.757, and 512.070 shall be in the court of competent jurisdiction of the county which is the subject of the action by the state agency."; and

On page 52, line 5, to delete "Section 24" and to insert in lieu thereof "Section 25."

Floor Amendment No. 11 to the Committee Substitute to **HB 174**, by Representative Hoover:

From page 2, line 17, to page 4, line 16, delete entirely;

On page 4, line 17, after "SECTION" delete "3" and insert "2" in lieu thereof;

On page 4, line 19, after "*(1)*", to page 5, line 3, delete entirely;

On page 5, line 4, delete "*(4)*";

On page 5, line 5, delete "*one dollar ($1)*" and insert "*seven dollars ($7)*" in lieu thereof;

On page 5, line 8, delete "*(5)*" and insert "*(2)*" in lieu thereof, and delete "*distributor, fast food retailer, retailer, or*";

On page 5, line 15, delete "*environmental impact fees and the*";

On page 5, line 18, delete "*(6)*" and insert "*(3)*" in lieu thereof;

On page 5, line 20, delete "*4*" and insert "*3*" in lieu thereof;

On page 5, line 22, delete "*environmental impact fees and the*";

On page 5, line 26, delete "*(7)*" and insert "*(4)*" in lieu thereof;

On page 5, line 27, delete "*environmental impact fees and*";

On page 6, line 3, after "SECTION" delete "4" and insert "3" in lieu thereof;

On page 6, line 6, delete "*environmental impact fees and*";

On page 6, line 7, delete "*3*" and insert "*2*" in lieu thereof;

On page 6, lines 19 to 20, delete "*Environmental Impact Fees and the*";

On page 6, line 20, delete "*3*" and insert "*2*" in lieu thereof;

On page 7, line 19, delete "*6*" and insert "*5*" in lieu thereof;

On page 10, line 15, after "Section" delete "5" and insert "4" in lieu thereof;

Renumber subsequent sections accordingly;

On page 28, line 18, delete "*6*" and insert "*5*" in lieu thereof;

On page 31, line 14, delete "*sixty*" and

On page 31, from line 15 to line 19 delete all text in its entirety and insert in lieu thereof "*and fines imposed for the violation of KRS 433.753, 433.757, 433.875 or 512.070 shall be seven hundred fifty dollars ($750) and shall be transferred to the agency issuing the citation and to the county in which the violation occurred in the amount of five hundred dollars ($500) and two hundred fifty dollars ($250) respectively*".; and

On page 31, line 25, delete "*7*" and insert "*6*" in lieu thereof; and

On page 31, line 26, delete "*9*" and insert "*8*" in lieu thereof; and

On page 33, after line 9 and before line 10, insert:

"***(4) Violators shall, in addition to any fines paid, perform a minimum of twenty (20) hours of community service in conjunction with a county or urban-county government sponsored cleanup program or as otherwise directed by the District Court.***"; and

On page 34, line 15, delete "***Sixty percent (60%) of***"; and

On page 34, line 16, before "transferred" insert "***seven hundred fifty ($750) for each violation and two hundred fifty dollars ($250) shall be***"; and

On page 34, line 17 delete "***forty percent (40%)***" and insert "***five hundred dollars ($500)***"

Floor Amendment No. 12 to the Committee Substitute to **HB 174**, by Representative Damron:

On page 7, line 9, after "***dumps***" by inserting "***and that it has enacted an ordinance that requires the use of door-to-door household collection***"; and

on line17, after "***households***" by deleting "***and businesses in a universal***"; and

on line 18, by deleting all the text thereon; and

on line 19, before "***, shall***" by deleting "***subsection (1) of Section 6 of this Act***" and by inserting "***in using door-to-door collection services***"; and

On page 8, line 1, after "***receive***" by deleting "***one hundred percent (100%)***" and by inserting "***fifty percent (50%)***".

Floor Amendment No. 13 to the Committee Substitute to **HB 174**, by Representative Damron:

On page 9, betwen lines 15 and 16, by inserting the following;

"***County and city recipients of funds under this paragraph are encouraged to use the funds to begin or enhance or to offset the costs of recycling programs in the county or city.***"

Floor Amendment No. 14 to the Committee Substitute to **HB 174**, by Representative Damron:

On page 2, lines 19 to 27, by deleting all the text thereon; and

On page 3, by deleting all the text thereon; and

On page 4, by deleting all the text thereon; and

On page 5, lines 1 to 3, by deleting all the text thereon; and

on line 4, by changing "***(4)***" to "***(1)***"; and

on line 5, after the first "***of***" by deleting "***one***" and inserting "***six***" and after "***dollar***" by deleting "***($1)***" and inserting "***($6)***"; and

on line 7, after "***monthly.***" by inserting "***For purposes of this section and Section 3 of this Act, "tipping fee" means a fee paid by operators for each ton of municipal solid waste disposed in the operator's municipal solid waste disposal facility.***"; and

on line 8, by deleting "***(5)***" and inserting "***(2)***" in lieu thereof; and

on line 8, after "***If a***" by deleting "***distributor, fast food retailer, retailer, or***"; and

on line 15, after "***of the***" by deleting "***environmental impact fees and the***"; and

on line 18 by changing "***(6)***" to "***(3)***"; and

on line 22, after "***of***" by deleting "***the environmental impact fees and***"; and

on line 27, after "***the***" by deleting "***environmental impact fees and***"; and

On page 6, line 3, after "SECTION" by changing "4" to "3"; and

on line 6, after "***from***" by deleting "***environmental impact fees and***"; and

on line 7, after "***Section***" by deleting "***3***" and inserting "***2***"; and

on line 19, after "***the***" by deleting "***Environmental Impact***"; and

on line 20, before "***tipping***" by deleting "***Fees and the***"; and

On page 7, line 19, after "***Section***" by deleting "***6***" and inserting "***5***"; and

On page 10, line 15, by renumbering "Section 5" as "Section 4" and by renumbering the Section numbers thereafter to conform.

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 20, Representative Riggs

HB 40, Representative L. Belcher

HB 91, Representative P. Clark

HB 112, Representative Denham

HB 188, Representative Crimm

HB 299, Representative Denham

HB 367, Representative L. Belcher

HB 402, Representative P. Clark

HB 496, Representatives Crimm and Riggs

HB 514, Representative Colter

HB 529, Representative Colter

HB 542, Representative Bowling

HB 553, Representative L. Clark

HCR 43, Representatives Colter and Cornett

HCR 65, Representative Denham

HCR 95, Representative Denham

HCR 125, Representative Horlander.

Announcements

The following meetings were announced:

Labor and Industry: Tuesday, February 12, 2002, noon, Room 125

Natural Resources and Environment: Tuesday, February 12, 2002, 8:00 a.m., Room 131

Appropriations and Revenue: Tuesday, February 12, 2002, 10:30 a.m.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., on Tuesday, February 12, 2002.

The motion that the House adjourn until 2:00 p.m., Tuesday, February 12, 2002, was adopted by voice vote.

TUESDAY, FEBRUARY 12, 2002

TWENTY-FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Father Gerald Calhoun, Christ the King Catholic Church, Madisonville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

At the request of the Speaker, Emily Fitzmaurice sang the National Anthem.

Representative Ballard moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Ballard moved the adoption of the following **Legislative Citation No. 36**.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes Emily Grace Fitzmaurice for her extraordinary singing voice which has already thrilled hundreds of Kentuckians throughout her twelve years. Her talent through plays and concerts has enchanted Kentuckians from Madisonville to Louisville during her performances in such notable productions as "Annie," the All-State Children's Chorus, "My Fair Lady" and "Les Miserables." The Kentucky House of Representatives joins Representative Eddie Ballard in welcoming this gifted individual to the General Assembly and welcomes her willingness to share her grand gift with the 2002 lawmakers. This prestigious body wishes her well in the development of her phenomenal talent and hails her as one of Kentucky's greatest young vocalists and adjourns this day in honor of Emily Grace Fitzmaurice. Done in Frankfort, Kentucky this twelfth day of February, in the year two thousand and two.

Legislative Citation No. 36 was adopted without objection.

The roll was called. All members present except Representatives Collins and Vincent.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of February 11, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Motions, Petitions, and Communications

Representative Hoover moved to suspend the rules and grant floor privileges to former Republican members of the House. Agreed.

Representative Nesler moved to suspend the rules and grant floor privileges to Lloyd Clapp, a former member of the House. Agreed.

Report On Enrolled Bills

The Committee on Enrollment reported that **HB 23** has been examined and found correctly enrolled. Said Bill was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time -2:30 p.m.)

Introductions of Bills and Resolutions

HB 643, by Representative Geveden: AN ACT relating to reorganization.

HB 644, by Representatives Crall, Wilkey, Thomas and Treesh: AN ACT relating to crimes and punishments.

HB 645, by Representative Westrom: AN ACT relating to child protective services citizen review panels.

HB 646, by Representatives Smith, Cornett, Fischer, T. Turner, Upchurch, Nelson, Ballard, J. Turner, Hall and Collins: AN ACT relating to the transfer of coal severance tax receipts for water and sewer projects and making an appropriations therefor.

HB 647, by Representative Yonts: AN ACT relating to the Kentucky State Defense Force.

HB 648, by Representative Graham: AN ACT relating to the Personnel Board.

HB 649, by Representative Brinkman: AN ACT relating to Article 9 of the Uniform Commercial Code and declaring an emergency.

HB 650, by Representative Draud: AN ACT relating to water districts.

HB 651, by Representative R. Adams: AN ACT relating to expungement of records.

HR 126, by Representative Webb: A RESOLUTION memorializing First Lieutenant William Blake Satterly.

HCR 127, by Representative Bather: A CONCURRENT RESOLUTION to direct the Legislative Research Commission to have a study conducted to examine the potential costs and benefits to Kentuckians that would be associated with an expansion of the state tax credit for people who provide long-term care in their homes for elderly family members.

HR 128, by Representative Crimm: A RESOLUTION adjourning the House of Representatives in honor of Donald and Lucy Herman upon the occasion of the fiftieth wedding anniversary on February 9, 2002.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 634, 635**

Education: **HB 637, HJR 124**

Judiciary: **HB 638, 639**

Labor and Industry: **HB 631, 632, 633, 636**

Local Government: **HB 641**

State Government: **HB 640, 642**

Tourism Development and Energy: **HCR 125**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Economic Development: **HB 602**

Election, Constitutional Amendments, and Intergovernmental Affairs: **HB 586, HB 535, HCR 104, HJR 94**

Judiciary: **HB 610**

Transportation: **HB 68**

The Clerk announced that the following Bill has been withdrawn from posting for Committee consideration:

Election, Constitutional Amendments, and Intergovernmental Affairs: **HB 482**

Report of Committees

The Committee on Seniors, Military Affairs and Public Safety reported **HB 200**, with Committee Substitute and Committee Amendment attached thereto, **HB 381**, with Committee Amendment attached thereto, and **HB 417**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 200, AN ACT relating to a veterans' personal loan program and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, the following terms have the following respective meanings, unless another meaning is clearly required by the context:

(a) "Department" means the Department of Veterans' Affairs;

(b) "Veteran" means a person who served in the active Armed Forces of the United States, including the Coast Guard of the United States, and was released, separated, discharged, or retired therefrom under other than

dishonorable conditions.

(2) A veterans' personal loan program trust fund is hereby established to oversee and administer funds under the veterans' personal loan program.

(3) The department shall cause the veterans' personal loan trust fund to lend a veteran, a veteran's unremarried spouse or a deceased veteran's child who meets the requirements of the administrative regulations promulgated by the department and relating to the operation of the veterans' personal loan program trust fund not more than ten thousand dollars ($10,000) or a lesser amount established by the department by administrative regulation for the purchase of a home, business or business property, the education of the veteran or the veteran's spouse or children, the payment of medical or funeral expenses, or the consolidation of debt. The veterans' personal loan program trust fund may prescribe loan conditions, but the term of the loan may not exceed ten (10) years.

(4) The veterans' personal loan trust fund may lend not more than ten thousand dollars ($10,000) or a lesser amount established by the department by administrative regulation to a veteran's remarried living spouse or to the parent of a deceased veteran's child for the education of a child who meets the requirements of this section.

(5) To be eligible for a loan under this program, an applicant must be a resident of and living in the Commonwealth on the date of the application.

(6) The veterans' loan program trust fund may execute necessary instruments, collect interest and principal, compromise indebtedness, sue and be sued, post bonds, and write off indebtedness that it considers uncollectible. If a loan under this section is secured by a real estate mortgage, the veterans' loan program trust fund may exercise the rights of owners and mortgagees generally.

(7) The veterans' loan program trust fund may charge loan expenses incurred under this section to a loan applicant.

(8) The department shall promulgate administrative regulations for the distribution of loans under this chapter, including but not limited to the following:

(a) Operation of the veterans' personal loan program trust.

(b) Underwriting criteria.

(c) Application procedures.

(d) Other provisions the department determines are necessary to ensure efficient administration of this chapter.

(9) No person may receive a loan under this section in an amount that, when added to the balance outstanding on the person's existing loans under this section, would result in a total indebtedness to the veterans' personal loan program trust fund of more than ten thousand dollars ($10,000), or a lesser amount as established by the department by administrative regulation.

Section 2. There is appropriated for this veteran's personal loan program the sum of five million dollars ($5,000,000).

(1) The five million dollar ($5,000,000) appropriation shall be used for the initial funding of the veterans' personal loan program trust fund and to provide operating funds for the veterans' personal loan program trust fund. Future earnings from the veterans' personal loan program trust fund shall be used to increase amounts available to the loan program.

(2) Upon receipt of funds under this appropriation, the department shall cause those funds to be transferred to the veterans' personal loan program trust fund.

(3) Funds received under this appropriation not necessary for the operations of the veterans' personal loan program trust fund shall remain with the department to finance other operations of the department.

The Committee Substitute to **HB 200** is as follows:

HB 200, AN ACT relating to a veterans' personal loan program and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, the following terms have the following respective meanings, unless another meaning is clearly required by the context:

(a) "Department" means the Department of Veterans' Affairs;

(b) "Veteran" means a person who served in the active Armed Forces of the United States, including the Coast Guard of the United States, and was released, separated, discharged, or retired therefrom under other than dishonorable conditions.

(2) A veterans' personal loan program trust fund is hereby established to oversee and administer funds under the veterans' personal loan program.

(3) The department shall cause the veterans' personal loan trust fund to lend a veteran, a veteran's unremarried spouse or a deceased veteran's child who meets the requirements of the administrative regulations promulgated by the department and relating to the operation of the veterans' personal loan program trust fund not more than ten thousand dollars ($10,000) or a lesser amount established by the department by administrative regulation for the purchase of a

home, business or business property, the education of the veteran or the veteran's spouse or children, the payment of medical or funeral expenses, or the consolidation of debt. The veterans' personal loan program trust fund may prescribe loan conditions, but the term of the loan may not exceed ten (10) years.

(4) The veterans' personal loan trust fund may lend not more than ten thousand dollars ($10,000) or a lesser amount established by the department by administrative regulation to a veteran's remarried living spouse or to the parent of a deceased veteran's child for the education of a child who meets the requirements of this section.

(5) To be eligible for a loan under this program, an applicant must be a resident of and living in the Commonwealth on the date of the application.

(6) The veterans' loan program trust fund may execute necessary instruments, collect interest and principal, compromise indebtedness, sue and be sued, post bonds, and write off indebtedness that it considers uncollectible. If a loan under this section is secured by a real estate mortgage, the veterans' loan program trust fund may exercise the rights of owners and mortgagees generally.

(7) The veterans' loan program trust fund may charge loan expenses incurred under this section to a loan applicant.

(8) The department shall promulgate administrative regulations for the distribution of loans under this chapter, including but not limited to the following:

- *(a) Operation of the veterans' personal loan program trust.*
- *(b) Underwriting criteria.*
- *(c) Application procedures.*
- *(d) Other provisions the department determines are necessary to ensure efficient administration of this chapter.*

(9) No person may receive a loan under this section in an amount that, when added to the balance outstanding on the person's existing loans under this section, would result in a total indebtedness to the veterans' personal loan program trust fund of more than ten thousand dollars ($10,000), or a lesser amount as established by the department by administrative regulation.

(10) The veterans personal loan trust fund may receive state appropriations, gifts, grants, federal funds, and any other funds both public and private.

(11) Funds received for the veterans personal loan trust fund not necessary for the operations of the veterans' personal loan program trust fund shall remain with the department to finance other operations of the department.

The Committee Amendment No. 1 Title to **HB 200** is as follows:

Amend title to read as follows: "AN ACT relating to a veterans' personal loan program."

HB 381, AN ACT relating to searching for and rescue of lost persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 39F.180 is amended to read as follows:

(1) All 911 centers and dispatch centers, law enforcement agencies, law enforcement dispatchers, fire departments, rescue squads, emergency medical service agencies, and emergency management agencies shall report the information required to be reported by administrative regulation, for all reports of persons missing, lost, or overdue, if a search for the lost person has lasted for more than two (2) hours to:

- (a) The local emergency management director; and
- (b) The local search and rescue coordinator for the jurisdiction in which the person is reported missing.

(2) *(a)* Any search for a missing minor, as that term is defined in KRS 2.015, shall be reported to the Kentucky State Police by the person or organization to whom the missing minor is reported.

(b) A search for a person who is known or reported to have an organic brain disorder, including but not limited to Alzheimer's disease, shall immediately be reported to the local emergency management director, local search and rescue coordinator if different from the local emergency manager, and the duty officer of the Division of Emergency Management by the person managing the search or by the organization conducting the search.

(c) The making of this report does not relieve the person or organization from the duty to make other notifications and reports required in this section.

(3) Any search and rescue mission which has lasted four (4) hours without the subject being located, shall be immediately reported to the duty officer of the Division of Emergency Management by telephone or radio.

(4) The results of each lost, missing, or overdue person report or search mission required to be reported under subsections (1) to (3) of this section shall be reported to the division and the local director on forms provided by the division and containing the information required by administrative regulation. The report shall be filed within twenty (20) days after:

- (a) The search and rescue mission is discontinued; or

(b) The victim has not been found and a decision is made to keep the case open or continue searching on a limited basis, whichever occurs earlier.

(5) Each agency required to notify a local emergency management director or the division of a report of a missing person, or a search mission pursuant to this section shall develop a written standard operating procedure for handling and reporting requests to search for missing, lost, or overdue persons. This standard operating procedure shall be a public record.

(6) The contents of reports, information to be conveyed upon notification, and other matters relating to the administration of this section and the securing of information required hereby shall be specified by the division by administrative regulations.

(7) There is no requirement in Kentucky to delay the search for or rescue of any lost, missing, or overdue person. Any person who is reported lost, missing, or overdue, adult or child, may be searched for immediately by any emergency management, fire, law enforcement, emergency medical services, search and rescue, rescue squad, or other similar organization to which a missing or overdue person is reported. No public safety answering point, emergency dispatch center, or 911 center shall delay any call reporting a person lost, overdue, or missing to the organization specified in the county search and rescue annex of the county emergency management plan as responsible for searching for lost, missing, or overdue persons.

The Committee Amendment No. 1 to **HB 381** is as follows:

On page 1, line 18, after "***search.***" insert "***Provisions of this paragraph shall not apply to long term care facilities as defined in KRS 216.510.***"

HB 417, AN ACT relating to manufactured home, mobile home, and recreational vehicle communities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 219.310 is amended to read as follows:

KRS 219.310 to 219.410 may be cited as the Kentucky ***Manufactured Home,*** Mobile Home***,*** and Recreational Vehicle ***Community***[~~Park~~] Act of ***2002***[~~1972~~].

Section 2. KRS 219.320 is amended to read as follows:

As used in KRS 219.330 to 219.410:

(1) "Secretary" means the secretary of the Cabinet for Health Services;

(2) "Cabinet" means the Cabinet for Health Services;

(3) "***Manufactured home" means a single-family residential dwelling constructed in accordance with the National Manufactured Housing Construction in Safety Standards Act, manufactured after June 15, 1976, and designed to be used as a single-family residential dwelling with or without a permanent foundation when connected to the required utilities, and including plumbing, heating, air conditioning, and electrical systems. A manufactured home may also be used as a place of business, profession, or trade by the owner, the lessee, or the assigns of the owner or lessee and may comprise an integral unit or condominium structure. Buildings, the construction of which are not preempted by the National Manufactured Housing Construction in Safety Standards Act, are subject to the building code requirements of KRS Chapter 198B***[~~Mobile home" means a transportable dwelling unit suitable for year-round occupancy, which is manufactured on a chassis or undercarriage as an integral part thereof, containing facilities for water, sewage, bath, and electrical conveniences~~];

(4) "***Mobile home" means a structure manufactured prior to June 15, 1976, that was not required to be constructed in accordance with the National Manufactured Housing Construction in Safety Standards Act, that is transportable in one (1) or more sections, that, in the traveling mode is eight (8) body feet or more in width and forty (40) body feet or more in length, or when erected on site, four hundred (400) or more square feet, and that is built on a permanent chassis and designed to be used as a dwelling on a temporary or permanent foundation, when connected with the permanent required utilities, including plumbing, heating, air conditioning, and electrical systems;***

(5) "***Manufactured or*** mobile home lot" means a parcel of land in a ***manufactured or*** mobile home ***community***[~~park~~] for the placement of a single ***manufactured or*** mobile home;

(6)[~~(5)~~] "***Manufactured or*** mobile home ***community***[~~park~~]" means a parcel of land, under ***a single or multiple ownership, but single management, for lease or rent, that has been planned and improved for the placement of two (2) or more manufactured or mobile homes for dwelling purposes including any community owned service buildings, structures, or other facility located on the licensed premises. The following are not considered manufactured or mobile home communities:***

(a) Any individually approved home that can support or meet the requirements for on-site sewage disposal and all other required utilities; and

(b) Any individual lot that meets the local jurisdiction's subdivision or zoning requirements[~~the control of any~~

~~person, available to the public in which two (2) or more mobile home lots are occupied or intended for occupancy by mobile homes and includes any service building, structure, enclosure, or other facility used as a part of the park~~];

(7)[~~(6)~~] "***Community***[~~Park~~]" means ***a manufactured home,*** mobile home***,***[~~ parks~~] and recreational vehicle ***community***[~~parks~~];

(8) "ANSI/NFPA" means the American National Standards Institute/National Fire Protection Association;

(9) "Underskirting" means a weather resistant material used to enclose the space from the bottom of a manufactured or mobile home to grade;

(10)[~~(7)~~] "Person" means an individual, or a firm, partnership, company, corporation, trustee, association, or any public or private entity owning or operating a ***community***[~~park~~];

(11)[~~(8)~~] "Recreational vehicle" means any of the following:

(a) "Travel trailer" means a vehicular, portable structure built on a chassis, designed to be used as a temporary dwelling for travel, recreation, or vacation;

(b) "Pickup coach" means a structure designed to be mounted on a truck for use as a temporary dwelling for travel, recreation, or vacation;

(c) "Motorhome" means a portable, temporary dwelling to be used for travel, recreation, or vacation, constructed as an integral part of a self-propelled vehicle;

(d) "Camping trailer" means a canvas or other collapsible folding structure, mounted on wheels and designed for travel, recreation, or vacation use;

(e) "Dependent recreational vehicle" means a recreational vehicle which does not have toilet, lavatory, or bathing facilities; or

(f) "Self-contained recreational vehicle" means a recreational vehicle which can operate independent of connections to sewer, water, and electric systems. It contains a water-flushed toilet, lavatory, shower or bath, kitchen sink, all of which are connected to water storage and sewage holding tanks located within the recreational vehicle.

(12)[~~(9)~~] "Recreational vehicle ***community***[~~park~~]" means a parcel of land available to the public in which two (2) or more recreational vehicle spaces are occupied or intended for occupancy by recreational vehicles for transient dwelling purposes and includes any service building, structure, enclosure, or other facility used as a part of the ***community***[~~park~~];

(13)[~~(10)~~] "Recreational vehicle space" means a parcel of land in a recreational vehicle ***community***[~~park~~] for the placement of a single recreational vehicle;

(14)[~~(11)~~] "Sanitary station" means a facility used for receiving and disposing of wastes from recreational vehicle holding tanks;

(15)[~~(12)~~] "Service building" means a building containing water closets, urinals, lavatories, and bathing facilities for use by persons using the ***community***[~~park~~]; and

(16)[~~(13)~~] "Watering station" means a facility for filling the water storage tanks of recreational vehicles with potable water from an approved water system.

Section 3. KRS 219.330 is amended to read as follows:

No person shall operate a ***community***[~~park~~] without having first obtained a permit as provided for in KRS 219.310 to 219.410. An application for a permit to operate a ***community***[~~park~~] shall be made to the cabinet upon forms provided by it and shall contain such information as the cabinet reasonably requires, which may include affirmative evidence of ability to comply with such reasonable standards and regulations as may be prescribed.

Section 4. KRS 219.340 is amended to read as follows:

(1) Upon receipt of an application for a permit to operate, accompanied by a permit fee***, the cabinet is authorized to promulgate administrative regulations determining fees relating to a permit to operate a manufactured or mobile home community.***[~~ assessed according to the following schedule:~~

~~Park with 10 spaces or less .... fee $50~~

~~Park with more than 10 spaces .... fee $75~~]

The cabinet shall issue a permit, provided the ***community***[~~park~~] meets the standards and requirements of KRS 219.310 to 219.410 and the regulations adopted by the secretary.

(2) Each permit to operate, unless sooner suspended or revoked, shall expire on June 30 following its issuance, and be renewable annually, upon application and payment of a renewal fee ***established by the cabinet***[~~of fifty dollars ($50) for a park with 10 spaces or less or a renewal fee of seventy five dollars ($75) for a park with more than 10 spaces~~], provided the ***community***[~~park~~] is maintained and operated in compliance with KRS 219.310 to 219.410 and the ***administrative*** regulations adopted by the secretary.

(3) Each permit to operate shall be issued only for the person and premises, including number of spaces, named in the application and shall not be transferable.

(4) The person holding an operating permit shall post it conspicuously within the ***community***[~~park~~] or have it readily available for examination upon request by agents of the cabinet or prospective ***community***[~~park~~] occupants.

Section 5. KRS 219.350 is amended to read as follows:

No park shall be constructed or altered without a permit as provided in KRS 219.310 to 219.410. An application for a permit to construct or alter a ***community***[~~park~~] shall be made to the cabinet upon forms provided by it. The application shall include plans for construction or alteration of the ***community***[~~park~~] and shall contain such information in regard to the proposed ***community***[~~park~~] as the cabinet may reasonably require, which may include affirmative evidence of ability to comply with requirements of KRS 219.310 to 219.410 and regulations adopted by the secretary. All plans for the construction, installation, or alteration of buildings shall be forwarded by the cabinet to the Department of Housing, Buildings and Construction. Only the Department of Housing, Buildings and Construction shall review such plans for conformance with the Uniform State Building Code. The Department of Housing, Buildings and Construction shall expedite the review of such plans and return them to the Cabinet for Health Services for completion of the application process. Each application for a permit to construct or alter a ***community***[~~park~~] shall be accompanied by a permit fee ***established by the cabinet***[~~of twenty-five dollars ($25)~~]. Each permit to construct shall be issued only for the person and premises, including the number of spaces named in the application and shall not be transferable. Each permit to construct shall expire one (1) year from date of issuance.

Section 6. KRS 219.360 is amended to read as follows:

(1) The cabinet may issue a permit to construct upon receipt of an application for a permit to construct a new ***community***[~~park~~] or alter an existing ***community***[~~park~~].

(2) If the application is refused, the cabinet shall give the reasons therefor in writing to the applicant; and if the objections can be corrected the applicant may resubmit his ***or her*** application for approval.

(3) Each person issued a permit to construct a new ***community***[~~park~~] or alter an existing ***community***[~~park~~], upon completion and prior to occupancy, shall make application for a permit to operate.

(4) No change in sanitary facilities, including the water supply, sanitary sewer, waste disposal system, sanitary station, watering station***,*** or service building, and no change in the plan of any existing ***community***[~~park~~] or in any proposed ***community***[~~park~~] for which a permit to construct has been issued, shall be made without having first obtained a construction permit therefor except that a change from a private water supply or private sewage disposal system to a public water supply or public sewage system shall not require a construction permit. The application shall be made in the manner prescribed for an original application. The change or changes shall comply with all applicable public health laws and regulations.

(5) A permit to construct, alter, or operate a ***community***[~~park~~] does not relieve the applicant from securing a local building permit if required, or from complying with any local zoning or other legal requirements.

Section 7. KRS 219.370 is amended to read as follows:

The secretary shall ***promulgate administrative***[~~adopt rules and~~] regulations for the effective administration and enforcement of KRS 219.310 to 219.410, which may include but are not limited to, standards for ***community***[~~park~~] construction and layout, service buildings, watering stations, sanitary stations, sanitation, site planning, lot size, water supply, sewage disposal, lighting, refuse handling, insect and rodent control, inspections, hearings, issuance, suspension, and revocation of permits, and such other matters as may be necessary to insure a safe and sanitary ***community***[~~park~~] operation. All building construction regulations shall conform to the uniform state building code. The secretary is empowered to establish separate rules and regulations for ***manufactured home,*** mobile home***,***[~~ parks~~] and recreational vehicle ***communities***[~~parks~~].

Section 8. KRS 219.380 is amended to read as follows:

(1) The cabinet may administer the provisions of KRS 219.310 to 219.410 through the respective local health department concerned. Officials and employees of the cabinet and of local health departments are empowered to enter upon the premises of any ***community***[~~park~~] at any reasonable time for the purposes set forth in KRS 219.310 to 219.410.

(2) The cabinet or local health department concerned, after notice to the applicant or holder of a permit to operate, construct, or alter a ***community***[~~park~~], and after an opportunity for a hearing, is authorized to deny, suspend, or revoke a permit in any case where it finds that there has been a failure to comply with the requirements established under KRS 219.310 to 219.410 or the administrative regulations promulgated by the secretary. Hearings shall be in accordance with KRS Chapter 13B.

(3) It shall be the duty of each Commonwealth's attorney, county attorney, city attorney, or Attorney General within their respective jurisdiction to whom the cabinet or local health department or its agents report any violation of KRS 219.310 to 219.410, to enforce the provisions of KRS 219.310 to 219.410.

(4) Nothing in KRS 219.310 to 219.410 shall be construed as requiring the cabinet or local health department to report for the institution of proceedings under KRS 219.310 to 219.410, violations of KRS 219.310 to 219.410, whenever the cabinet or local health department concerned believes that the public interest will be adequately served in the circumstances by a suitable written order.

(5) Notwithstanding the existence or pursuit of any other ***civil or criminal*** remedy[~~ (civil or criminal)~~], the cabinet or local health department concerned may maintain, in its own name, an action to restrain or enjoin any violation of KRS 219.310

to 219.410, irrespective of whether or not there exists an adequate remedy at law.

Section 9. KRS 219.390 is amended to read as follows:

(1) For the purpose of assisting in the developing and review of standards and regulations for the administration of KRS 219.310 to 219.410, there is hereby created a State Advisory Committee on ***Manufactured,*** Mobile Home, and Recreational Vehicle ***Communities***[~~Parks~~]. The committee shall be composed of ***twelve (12)***[~~nine (9)~~] members. The secretary for health services or his designee shall be an ex officio member. The other members shall be appointed by the secretary for health services, three (3) of whom shall represent ***manufactured and mobile home community***[~~park~~] owners, two (2) of whom shall represent ***manufactured and*** mobile home[~~ and recreational vehicle~~] dealers, ***two (2) of whom shall represent recreational vehicle dealers or community owners,*** two (2) of whom shall represent local health departments, ***one (1) of whom shall represent the office of the State Fire Marshal,*** and one (1) member ***who*** shall be a citizen at large.

(2) All appointed members shall serve for a term of four (4) years except that, of the original appointees, two (2) shall serve for one (1) year, two (2) shall serve for two (2) years, two (2) shall serve for three (3) years, and two (2) shall serve for four (4) years. All vacancies shall be filled in the manner of original appointment for the unexpired portion of the term only.

(3) Members of the committee shall receive no compensation for their services, but may be reimbursed for necessary travel expenses.

Section 10. KRS 219.410 is amended to read as follows:

Nothing in KRS 219.310 to 219.410 shall be construed to include ***manufactured homes,*** mobile homes, or recreational vehicles maintained by any persons on their own premises and used exclusively to house their own farm labor.

Section 11. KRS 219.991 is amended to read as follows:

(1) Any person who operates a hotel without a permit as provided in KRS 219.011 to 219.081 or who fails to comply with any other provisions of KRS 219.011 to 219.081 or any ***administrative*** regulation ***promulgated***[~~adopted~~] pursuant thereto shall be guilty of a misdemeanor and shall on conviction thereof be subject to a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or by imprisonment for not more than thirty (30) days, or both; but if the violation is committed after a conviction of the person under this section has become final, the person shall be subject to a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or by imprisonment for not more than ninety (90) days, or both.

(2) Any person who operates, constructs, or alters a ***community***[~~park~~] without a permit as provided for in KRS 219.310 to 219.410 or who violates any other provision of KRS 219.310 to 219.410 or any ***administrative*** regulation ***promulgated***[~~adopted~~] by the secretary or order issued pursuant thereto shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100). Each day of violation shall constitute a separate offense.

The Committee Substitute to **HB 417** is as follows:

HB 417, AN ACT relating to manufactured home, mobile home, and recreational vehicle communities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 219.310 is amended to read as follows:

KRS 219.310 to 219.410 may be cited as the Kentucky ***Manufactured Home,*** Mobile Home, and Recreational Vehicle ***Community***[~~Park~~] Act of ***2002***[~~1972~~].

Section 2. KRS 219.320 is amended to read as follows:

As used in KRS 219.330 to 219.410:

(1) "Secretary" means the secretary of the Cabinet for Health Services;

(2) "Cabinet" means the Cabinet for Health Services;

(3) "***Manufactured home" means a single-family residential dwelling constructed in accordance with the National Manufactured Housing Construction in Safety Standards Act, manufactured after June 15, 1976, and designed to be used as a single-family residential dwelling with or without a permanent foundation when connected to the required utilities, and including plumbing, heating, air conditioning, and electrical systems. A manufactured home may also be used as a place of business, profession, or trade by the owner, the lessee, or the assigns of the owner or lessee and may comprise an integral unit or condominium structure. Buildings, the construction of which are not preempted by the National Manufactured Housing Construction in Safety Standards Act, are subject to the building code requirements of KRS Chapter 198B***[~~Mobile home" means a transportable dwelling unit suitable for year round occupancy, which is manufactured on a chassis or undercarriage as an integral part thereof, containing facilities for water, sewage, bath, and electrical conveniences~~];

(4) "***Mobile home" means a structure manufactured prior to June 15, 1976, that was not required to be constructed in accordance with the National Manufactured Housing Construction in Safety Standards Act, that is transportable in one (1) or more sections, that, in the traveling mode is eight (8) body feet or more in width and forty (40) body feet or more in length, or when erected on site, four hundred (400) or more square feet, and that is built on a permanent***

chassis and designed to be used as a dwelling on a temporary or permanent foundation, when connected with the permanent required utilities, including plumbing, heating, air conditioning, and electrical systems;

(5) "***Manufactured or*** mobile home lot" means a parcel of land in a ***manufactured or*** mobile home ***community***[~~park~~] for the placement of a single ***manufactured or*** mobile home;

(6)[~~(5)~~] "***Manufactured or*** mobile home ***community***[~~park~~]" means a parcel of land, under ***single or multiple ownership and developed specifically for the purpose of leasing two (2) or more residential spaces for the location of manufactured or mobile home dwellings and which contain common facilities and utilities located on the premises as licensed by the cabinet***[~~the control of any person, available to the public in which two (2) or more mobile home lots are occupied or intended for occupancy by mobile homes and includes any service building, structure, enclosure, or other facility used as a part of the park~~];

(7)[~~(6)~~] "***Community***[~~Park~~]" means ***a manufactured home,*** mobile home***,***[~~ parks~~] and recreational vehicle ***community***[~~parks~~];

(8) "ANSI/NFPA" means the American National Standards Institute/National Fire Protection Association;

(9) "Underskirting" means a weather resistant material used to enclose the space from the bottom of a manufactured or mobile home to grade;

(10)[~~(7)~~] "Person" means an individual, or a firm, partnership, company, corporation, trustee, association, or any public or private entity owning or operating a ***community***[~~park~~];

(11)[~~(8)~~] "Recreational vehicle" means any of the following:

(a) "Travel trailer" means a vehicular, portable structure built on a chassis, designed to be used as a temporary dwelling for travel, recreation, or vacation;

(b) "Pickup coach" means a structure designed to be mounted on a truck for use as a temporary dwelling for travel, recreation, or vacation;

(c) "Motorhome" means a portable, temporary dwelling to be used for travel, recreation, or vacation, constructed as an integral part of a self-propelled vehicle;

(d) "Camping trailer" means a canvas or other collapsible folding structure, mounted on wheels and designed for travel, recreation, or vacation use;

(e) "Dependent recreational vehicle" means a recreational vehicle which does not have toilet, lavatory, or bathing facilities; or

(f) "Self-contained recreational vehicle" means a recreational vehicle which can operate independent of connections to sewer, water, and electric systems. It contains a water-flushed toilet, lavatory, shower or bath, kitchen sink, all of which are connected to water storage and sewage holding tanks located within the recreational vehicle.

(12)[~~(9)~~] "Recreational vehicle ***community***[~~park~~]" means a parcel of land available to the public in which two (2) or more recreational vehicle spaces are occupied or intended for occupancy by recreational vehicles for transient dwelling purposes and includes any service building, structure, enclosure, or other facility used as a part of the ***community***[~~park~~];

(13)[~~(10)~~] "Recreational vehicle space" means a parcel of land in a recreational vehicle ***community***[~~park~~] for the placement of a single recreational vehicle;

(14)[~~(11)~~] "Sanitary station" means a facility used for receiving and disposing of wastes from recreational vehicle holding tanks;

(15)[~~(12)~~] "Service building" means a building containing water closets, urinals, lavatories, and bathing facilities for use by persons using the ***community***[~~park~~]; and

(16)[~~(13)~~] "Watering station" means a facility for filling the water storage tanks of recreational vehicles with potable water from an approved water system.

Section 3. KRS 219.330 is amended to read as follows:

No person shall operate a ***community***[~~park~~] without having first obtained a permit as provided for in KRS 219.310 to 219.410. An application for a permit to operate a ***community***[~~park~~] shall be made to the cabinet upon forms provided by it and shall contain such information as the cabinet reasonably requires, which may include affirmative evidence of ability to comply with such reasonable standards and regulations as may be prescribed.

Section 4. KRS 219.340 is amended to read as follows:

(1) ***The fee for a permit to operate a manufactured or mobile home community shall be assessed according to the following fee schedule:***

Number of Spaces	***Initial Fee***	***Maximum Fee***
9 spaces or less	***$107.00***	***$130.00***
10 - 50 spaces	***$150.00***	***$185.00***
51 - 100 spaces	***$160.00***	***$195.00***

101 - 200 spaces	***$170.00***	***$225.00***
201 or more spaces	***$180.00***	***$250.00***

The cabinet may, by administrative regulation, beginning July 1, 2003, increase the annual fee to operate a manufactured or mobile home community by not more than five percent (5%) per year, not to exceed the maximum fee on the fee schedule. Upon receipt of an application for a permit to operate, accompanied by a permit fee***,*** [~~assessed according to the following schedule:~~

~~Park with 10 spaces or less fee $50~~

~~Park with more than 10 spaces fee $75~~]the cabinet shall issue a permit, provided the ***community***[~~park~~] meets the standards and requirements of KRS 219.310 to 219.410 and the regulations adopted by the secretary.

(2) Each permit to operate, unless sooner suspended or revoked, shall expire on June 30 following its issuance, and be renewable annually, upon application and payment of a renewal fee ***established by the cabinet***[~~of fifty dollars ($50) for a park with 10 spaces or less or a renewal fee of seventy-five dollars ($75) for a park with more than 10 spaces~~], provided the ***community***[~~park~~] is maintained and operated in compliance with KRS 219.310 to 219.410 and the ***administrative*** regulations adopted by the secretary.

(3) Each permit to operate shall be issued only for the person and premises, including number of spaces, named in the application and shall not be transferable.

(4) The person holding an operating permit shall post it conspicuously within the ***community***[~~park~~] or have it readily available for examination upon request by agents of the cabinet or prospective ***community***[~~park~~] occupants.

Section 5. KRS 219.350 is amended to read as follows:

No ***community***[~~park~~] shall be constructed or altered without a permit as provided in KRS 219.310 to 219.410. An application for a permit to construct or alter a ***community***[~~park~~] shall be made to the cabinet upon forms provided by it. The application shall include plans for construction or alteration of the ***community***[~~park~~] and shall contain such information in regard to the proposed ***community***[~~park~~] as the cabinet may reasonably require, which may include affirmative evidence of ability to comply with requirements of KRS 219.310 to 219.410 and regulations adopted by the secretary. All plans for the construction, installation, or alteration of buildings shall be forwarded by the cabinet to the Department of Housing, Buildings and Construction. Only the Department of Housing, Buildings and Construction shall review such plans for conformance with the Uniform State Building Code. The Department of Housing, Buildings and Construction shall expedite the review of such plans and return them to the Cabinet for Health Services for completion of the application process. Each application for a permit to construct or alter a ***community***[~~park~~] shall be accompanied by a permit fee of ***forty-seven dollars ($47)***[~~ twenty-five dollars ($25)~~]***. The cabinet may, by administrative regulation, increase this fee by no more than five percent (5%) per year, not to exceed a maximum fee of seventy dollars ($70).*** Each permit to construct shall be issued only for the person and premises, including the number of spaces named in the application and shall not be transferable. Each permit to construct shall expire one (1) year from date of issuance.

Section 6. KRS 219.360 is amended to read as follows:

(1) The cabinet may issue a permit to construct upon receipt of an application for a permit to construct a new ***community***[~~park~~] or alter an existing ***community***[~~park~~].

(2) If the application is refused, the cabinet shall give the reasons therefor in writing to the applicant; and if the objections can be corrected the applicant may resubmit his ***or her*** application for approval.

(3) Each person issued a permit to construct a new ***community***[~~park~~] or alter an existing ***community***[~~park~~], upon completion and prior to occupancy, shall make application for a permit to operate.

(4) No change in sanitary facilities, including the water supply, sanitary sewer, waste disposal system, sanitary station, watering station***,*** or service building, and no change in the plan of any existing ***community***[~~park~~] or in any proposed ***community***[~~park~~] for which a permit to construct has been issued, shall be made without having first obtained a construction permit therefor except that a change from a private water supply or private sewage disposal system to a public water supply or public sewage system shall not require a construction permit. The application shall be made in the manner prescribed for an original application. The change or changes shall comply with all applicable public health laws and regulations.

(5) A permit to construct, alter, or operate a ***community***[~~park~~] does not relieve the applicant from securing a local building permit if required, or from complying with any local zoning or other legal requirements.

Section 7. KRS 219.370 is amended to read as follows:

The secretary shall ***promulgate administrative***[~~adopt rules and~~] regulations for the effective administration and enforcement of KRS 219.310 to 219.410, which may include but are not limited to, standards for ***community***[~~park~~] construction and layout, service buildings, watering stations, sanitary stations, sanitation, site planning, lot size, water supply, sewage disposal, lighting, refuse handling, insect and rodent control, inspections, hearings, issuance, suspension, and revocation of permits, and such other matters as may be necessary to insure a safe and sanitary ***community***[~~park~~] operation. All building construction regulations shall conform to the uniform state building code. The secretary is empowered to establish separate rules and regulations for ***manufactured home,*** mobile home***,***[~~ parks~~] and recreational vehicle ***communities***[~~parks~~].

Section 8. KRS 219.380 is amended to read as follows:

(1) The cabinet may administer the provisions of KRS 219.310 to 219.410 through the respective local health department concerned. Officials and employees of the cabinet and of local health departments are empowered to enter upon the premises of any ***community***[~~park~~] at any reasonable time for the purposes set forth in KRS 219.310 to 219.410.

(2) The cabinet or local health department concerned, after notice to the applicant or holder of a permit to operate, construct, or alter a ***community***[~~park~~], and after an opportunity for a hearing, is authorized to deny, suspend, or revoke a permit in any case where it finds that there has been a failure to comply with the requirements established under KRS 219.310 to 219.410 or the administrative regulations promulgated by the secretary. Hearings shall be in accordance with KRS Chapter 13B.

(3) It shall be the duty of each Commonwealth's attorney, county attorney, city attorney, or Attorney General within their respective jurisdiction to whom the cabinet or local health department or its agents report any violation of KRS 219.310 to 219.410, to enforce the provisions of KRS 219.310 to 219.410.

(4) Nothing in KRS 219.310 to 219.410 shall be construed as requiring the cabinet or local health department to report for the institution of proceedings under KRS 219.310 to 219.410, violations of KRS 219.310 to 219.410, whenever the cabinet or local health department concerned believes that the public interest will be adequately served in the circumstances by a suitable written order.

(5) Notwithstanding the existence or pursuit of any other ***civil or criminal*** remedy[~~ (civil or criminal)~~], the cabinet or local health department concerned may maintain, in its own name, an action to restrain or enjoin any violation of KRS 219.310 to 219.410, irrespective of whether or not there exists an adequate remedy at law.

Section 9. KRS 219.390 is amended to read as follows:

(1) For the purpose of assisting in the developing and review of standards and regulations for the administration of KRS 219.310 to 219.410, there is hereby created a State Advisory Committee on ***Manufactured,*** Mobile Home***,*** and Recreational Vehicle ***Communities***[~~Parks~~]. The committee shall be composed of ***twelve (12)***[~~nine (9)~~] members. The secretary for health services or his designee shall be an ex officio member. The other members shall be appointed by the secretary for health services, three (3) of whom shall represent ***manufactured and mobile home community***[~~park~~] owners, two (2) of whom shall represent ***manufactured and*** mobile home[~~ and recreational vehicle~~] dealers, ***two (2) of whom shall represent recreational vehicle dealers or community owners,*** two (2) of whom shall represent local health departments***,*** ***one (1) of whom shall represent the office of the State Fire Marshal,*** and one (1) member ***who*** shall be a citizen at large.

(2) All appointed members shall serve for a term of four (4) years except that, of the original appointees, two (2) shall serve for one (1) year, two (2) shall serve for two (2) years, two (2) shall serve for three (3) years, and two (2) shall serve for four (4) years. All vacancies shall be filled in the manner of original appointment for the unexpired portion of the term only.

(3) Members of the committee shall receive no compensation for their services, but may be reimbursed for necessary travel expenses.

Section 10. KRS 219.410 is amended to read as follows:

Nothing in KRS 219.310 to 219.410 shall be construed to include ***manufactured homes,*** mobile homes***,*** or recreational vehicles maintained by any persons on their own premises and used exclusively to house their own farm labor.

Section 11. KRS 219.991 is amended to read as follows:

(1) Any person who operates a hotel without a permit as provided in KRS 219.011 to 219.081 or who fails to comply with any other provisions of KRS 219.011 to 219.081 or any ***administrative*** regulation ***promulgated***[~~adopted~~] pursuant thereto shall be guilty of a misdemeanor and shall on conviction thereof be subject to a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or by imprisonment for not more than thirty (30) days, or both; but if the violation is committed after a conviction of the person under this section has become final, the person shall be subject to a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or by imprisonment for not more than ninety (90) days, or both.

(2) Any person who operates, constructs, or alters a ***community***[~~park~~] without a permit as provided for in KRS 219.310 to 219.410 or who violates any other provision of KRS 219.310 to 219.410 or any ***administrative*** regulation ***promulgated***[~~adopted~~] by the secretary or order issued pursuant thereto shall be fined not less than twenty-five dollars ($25) nor more than one hundred dollars ($100). Each day of violation shall constitute a separate offense.

The Committee on Labor and Industry reported **HB 377, HB 537, HB 557,** and **HCR 31** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 377, AN ACT relating to collective bargaining for deputy sheriffs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 70.262 is amended to read as follows:

(1) In any county containing a city of the first class ***or any urban-county government*** that has adopted a merit system under KRS 70.260 to 70.273, deputies subject to the merit system may organize, form, join, or participate in organizations in

order to engage in lawful concerted activities for the purpose of collective bargaining or other mutual aid and protection, and to bargain collectively through a representative of their own free choice. Deputies shall also have the right to refrain from any or all of these activities but shall be subject to the lawful provisions of any collective bargaining agreement entered into under this section. Strikes by deputies of any collective bargaining unit shall be prohibited at any time.

(2) In any county containing a city of the first class ***or any urban-county government*** that has adopted a merit system under KRS 70.260 to 70.273, the sheriff shall contract with a representative of the deputies described in subsection (1) of this section employed by the sheriff where the representative has established representation of a majority of the deputies, with respect to wages, hours, and terms and conditions of employment, including execution of a written contract incorporating any agreement reached between the sheriff and the representative. The sheriff shall not be required to bargain over matters of inherent managerial policy.

HB 537, AN ACT relating to professional firefighters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 345.010 is amended to read as follows:

When used in this chapter:

(1) "Public employer" means ***any political subdivision of the state including any special district, city, county, charter county, consolidated local government, or urban-county government***[~~a city of the first class or any city that petitions the secretary of the Labor Cabinet to be included by this chapter~~];

(2) "Firefighter" means ***a full-time paid***[~~an~~] employee of the public employer, ***who receives a minimum salary of eight thousand dollars ($8,000) annually, and who works a minimum of two thousand and eighty (2,080) hours per year,*** engaged in serving the public by providing fire protection, including those covered by KRS Chapter 95;

(3) "Labor organization" means any chartered labor organization of any kind in which firefighters participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rate of pay, hours of employment, or conditions of employment;

(4) "Exclusive representative" means the labor organization which has been designated by the State Labor Relations Board as the representative of the majority of firefighters in appropriate units or has been so recognized by the public employer;

(5) "Board" means the State Labor Relations Board;

(6) "Person" includes one (1) or more individuals, labor organizations, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers;

(7) "Secretary" means the secretary of the Labor Cabinet of the Commonwealth of Kentucky.

Section 2. KRS 345.030 is amended to read as follows:

(1) Firefighters of a ***public employer***[~~city of the first class~~] shall have, and shall be protected in the exercise of, the right of self-organization, to form, join, or assist any labor organization, to bargain collectively through representatives of their own choosing on questions of wages, hours, and other conditions of employment free from interference, restraint, or coercion.

(2) Labor organizations designated by the State Labor Relations Board as the representative of the majority of firefighters in an appropriate unit or recognized by a public employer as the representative of the majority of employees in an appropriate unit shall be the exclusive representative for the employees of such unit for the purpose of collective bargaining with respect to rates of pay, wages, hours, and other conditions of employment.

(3) Labor organizations recognized by a public employer as the exclusive representative or so designated in accordance with the provisions of this chapter shall be responsible for representing the interest of all firefighters in the unit without discrimination.

SECTION 3. A NEW SECTION OF KRS CHAPTER 345 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any provisions of the Kentucky Revised Statutes to the contrary, the provisions of Sections 1 and 2 of this Act shall not be construed or interpreted to cover volunteer firefighters.

HB 557, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 342.320 is amended to read as follows:

(1) All fees of attorneys and physicians, and all charges of hospitals under this chapter, shall be subject to the approval of an administrative law judge pursuant to the statutes and administrative regulations.

(2) In an original claim, attorney's fees for services under this chapter on behalf of an employee shall be subject to the following maximum limits:

(a) Twenty percent (20%) of the first twenty-five thousand dollars ($25,000) of the award, fifteen percent (15%) of the next ten thousand dollars ($10,000), and five percent (5%) of the remainder of the award, not to exceed a maximum fee of twelve thousand dollars ($12,000). This fee shall be paid by the employee from the proceeds of the award or settlement.

(b) Attorney-client employment contracts entered into and signed after July 14, 2000, shall be subject to the conditions of paragraph (a) of this subsection.

(3) ***A reasonable attorney's fee including deposition costs, court reporter fees, physician expenses for reports or depositions and all other out-of-pocket expenses shall be awarded by an administrative law judge for services under this chapter on behalf of an employee where there is no award for income benefits, but there is a favorable award for the employee or the employee's medical provider in a contested medical fee dispute, a contested dispute over medical treatment, or a contested claim over medical coverage under KRS 342.020. The fees shall be paid by the employer or carrier and shall be in addition to fees awarded under subsection (2) of this section.***

(4) In approving an allowance of attorney's fees, the administrative law judge shall consider the extent, complexity, and quality of services rendered, and in the case of death, the Remarriage Tables of the Dutch Royal Insurance Institute. An attorney's fee may be denied or reduced upon proof of solicitation by the attorney. However, this provision shall not be construed to preclude advertising in conformity with standards prescribed by the Kentucky Supreme Court.

(5)[~~(4)~~] No attorney's fee in any case involving benefits under this chapter shall be paid until the fee is approved by the administrative law judge, and any contract for the payment of attorney's fees otherwise than as provided in this section shall be void. The motion for approval of an attorney's fee shall be submitted within thirty (30) days following finality of the claim. Except when the attorney's fee is to be paid by the employer or carrier, the attorney's fee shall be paid in one (1) of the following ways:

(a) The employee may pay the attorney's fee out of his personal funds or from the proceeds of a lump-sum settlement; or

(b) The administrative law judge, upon request of the employee, may order the payment of the attorney's fee in a lump sum directly to the attorney of record and deduct the attorney's fee from the weekly benefits payable to the employee in equal installments over the duration of the award or until the attorney's fee has been paid, commuting sufficient sums to pay the fee.

(6)[~~(5)~~] At the commencement of the attorney-client relationship, the attorney shall explain to the employee the methods by which this section provides for the payment of the attorney's fee, and the employee shall select the method in which his attorney's fee is to be paid. His selection and statement that he fully understands the method to be used shall be submitted by his attorney, on a notarized form signed by the employee, at the time the motion for approval of the attorney's fee is submitted. The commissioner shall develop the format and content of the form to be used pursuant to this section. The form to be used shall list on its face all options permitted in this section for the payment of an attorney's fees and contain an explanation in nontechnical language of each method.

(7)[~~(6)~~] The General Assembly declares that by the enactment of KRS 342.316(3), it is the legislative intent to encourage settlement and prompt administrative handling of those claims and thereby reduce expenses to claimants for compensation under the provisions of KRS 342.316, and the administrative law judge shall give due regard to this legislative intent in the handling of uncontested claims and the allowance of attorney's fees therein.

(8)[~~(7)~~] In a claim that has been reopened pursuant to the provisions of this chapter, an attorney's fee may be awarded by the administrative law judge subject to the limits set forth in subsection (2) of this section. In awarding the attorney's fee, the administrative law judge shall consider the factors set forth in subsection (3) of this section. If no additional amount is recovered upon reopening, no attorney's fee shall be awarded***, with the exception of those situations referred to in subsection (3) of this section in which event a reasonable attorney's fee shall be awarded and paid accordingly***. No attorney's fee shall be allowed or approved exceeding the amounts provided in subsection (2)(a) ***and subsection (3)*** of this section applicable to any additional amount recovered.

(9)[~~(8)~~] Attorney's fees for representing employers in proceedings under this chapter pursuant to contract with the employer shall be subject to approval of the administrative law judge in the same manner as prescribed for attorney representation of employees. Employer attorney's fees are subject to the limitation of twelve thousand dollars ($12,000) maximum fees except that fees for representing employers shall not be dependent upon the result achieved. Employer attorney's fees may be paid on a periodic basis while a claim is adjudicated and the payments need not be approved until the claims resolution process is completed. Fees for legal services in presenting a claim for reimbursement to the director of the Kentucky coal workers' pneumoconiosis fund shall not exceed one thousand dollars ($1,000). All such approved fees shall be paid by the employer and in no event shall exceed the amount the employer agreed by contract to pay.

HCR 31, A CONCURRENT RESOLUTION encouraging Kentucky's coal mining industry to actively recruit resident Kentucky miners.

WHEREAS, since 1820, coal has been a backbone industry in Kentucky providing employment to Kentuckians in both the Eastern and Western parts of the state; and

WHEREAS, fewer people are being employed in the coal mining industry in Kentucky and industry downsizing in the

1980s left many miners displaced or unemployed; and

WHEREAS, the decreasing employment in the coal mining industry is coupled with a decline in the average wage for Kentucky's coal miners since 1996; and

WHEREAS, recently Kentucky coal companies have become more competitive and have investigated the recruitment of foreign coal miners to further increase productivity; and

WHEREAS, Kentucky has no foreign coal miners at present, but concerns have been raised about the safety to all underground coal miners if there are efforts to recruit miners that are not proficient in both reading and writing in the English language; and

WHEREAS, there are a number of displaced miners in Kentucky that are seeking employment and a practice of hiring overseas workers rather than employing resident Kentucky miners would run counter to promoting economic development in rural Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The General Assembly urges the coal mining industry to implement aggressive recruiting strategies to employ resident Kentucky miners before undertaking efforts to hire overseas workers.

Section 2. A copy of this resolution shall be sent to the Department of Mines and Minerals, the Kentucky Coal Council, the United Mine Workers Association, and the Kentucky Coal Association.

The Committee on State Government reported **HB 427,** with Committee Substitute attached thereto, **HB 530,** with Committee Substitute attached thereto, **HB 545,** with Committee Substitute attached thereto, **HB 574, HB 589, HB 590, HB 599, HB 607, HR 107,** and **HCR 109,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 427, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.552 is amended to read as follows:

(1) Any employee participating in one (1) of the state-administered retirement systems who has been refunded his accumulated contributions under the provisions of KRS 16.645(22), 61.625, or 78.545(15), thereby losing service credit, may regain the credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system. If the participating employee dies before regaining lost service credit, the employee's beneficiary, as designated according to the requirements of the employee's retirement system, may regain the credit by paying the amount refunded with interest at a rate determined by the board of the respective retirement system. Thereafter the beneficiary shall be entitled to the benefits that are payable based upon the deceased employee's total service credit. The provisions of KRS 161.470 shall be met in order to regain the credit in the Teachers' Retirement System. KRS 21.460 shall govern with respect to regaining credit in the Judicial Retirement Plan or Legislators' Retirement Plan. The beneficiary shall make the payment within one (1) year of the date of the employee's death. The payment, including interest as determined by the board, shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(2) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the County Employees Retirement System, as provided in KRS 78.540(2), may obtain credit in the County Employees Retirement System for prior service and for current service by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.

(3) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the Kentucky Employees Retirement System, as provided in KRS 61.525(2), may obtain credit in the Kentucky Employees Retirement System for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.

(4) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the Kentucky Employees Retirement System for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments. Effective August 1, 1988, each employee of the Kentucky Racing Commission who was employed by the racing commission on the date that agency first participated in the Kentucky Employees Retirement System, whether or not the employee was eligible to

participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.

(5) (a) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the County Employees Retirement System for current service between July 1, 1958, and the effective date of participation of his county by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(b) An employee participating in the Kentucky Employees Retirement System or the County Employees Retirement System, who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for the period of his service with an area development district created pursuant to KRS 147A.050 or with a business development corporation created pursuant to KRS 155.001 to 155.230 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system in which he participates the full cost of the service credit purchased, as determined by the board's actuary. The employee may obtain credit for employment with a business development corporation only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. Payment may be by lump sum or the employee may pay by increments.

(6) After August 1, 2000, service credit obtained under the subsections of this section which do not require the employee to have a minimum number of years of service credit to be eligible to make a purchase shall be disallowed and the recontribution of refund, including interest as determined by the board or other payment, if any, shall be paid to the member if the member does not obtain for service performed six (6) months' additional current service credit in one (1) of the state-administered retirement systems. The service requirement shall be waived if the member dies or becomes disabled as provided for by KRS 16.582 or 61.600.

(7) The members shall not receive benefit of service for the same period of time in another public defined benefit retirement fund.

(8) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65) in one (1) of the retirement systems administered by the Kentucky Retirement Systems, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by a defined benefit retirement program, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the County Employees Retirement System, the Kentucky Employees Retirement System, or the State Police Retirement System for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the County Employees, Kentucky Employees Retirement System, or State Police Retirement System. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum, or the employee may pay by increments.

(9) (a) Effective August 1, 1980, any county participating in the County Employees Retirement System may purchase current service, between July 1, 1958, and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);

(b) Effective July 1, 1973, any department participating in the Kentucky Employees Retirement System may purchase current service between July 1, 1956, and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);

(c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for the service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of the service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period;

(d) If a county or department elects the provisions of this subsection, any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for the service credit refunded with interest at the rate paid under KRS 61.575 or 78.640;

(e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.

(10) Interest paid by a member of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System under this section or other similar statutes under KRS 16.510 to 16.652, KRS 61.515 to 61.705, or KRS 78.520 to 78.852 prior to June 19, 1976, shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

(11) Employees who served as assistants to officers and employees of the General Assembly who were unable to acquire service under KRS 61.510(20) may purchase credit for the service performed after January 1, 1960, if the service purchased when added to other accumulated service will total at least forty-eight (48) months. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).

(12) (a) Effective August 1, 1988, any employee participating in one (1) of the state-administered retirement systems may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on a calendar or fiscal year basis. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

(b) Any noncertified employee of a school board may purchase service credit for part-time employment prior to the 1990-91 school year which averaged eighty (80) or more hours of work per month on a calendar or fiscal year basis by paying to the County Employees Retirement System a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 78.610(4), by the employer. Payment may be by lump sum or the employee may pay by increments. If the average number of hours of work is less than eighty (80) per month, the noncertified employee of a school board shall be allowed credit only for those months he receives creditable compensation for eighty (80) hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 78.610(4).

(13) A retired member, who is contributing to one (1) of the state-administered retirement programs and purchases service credit under this section in the system or systems from which he is retired, shall have his retirement allowance recomputed:

(a) Upon termination from employment, if the member is contributing to the same system or systems from which he was retired; or

(b) Upon completion of six (6) months' service credit as required under subsection (6) of this section, if the member is contributing to a system other than the system or systems from which he is retired.

(14) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for prior or current service for any period of approved educational leave, or for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, by paying to the respective retirement system a delayed contribution payment. The employee may also obtain credit for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, but only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(15) Any employee participating in one (1) of the state-administered retirement systems may obtain credit for prior or current service for any period of approved maternity leave, or for any period of approved sick leave without pay, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(16) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by making installment payments in lieu of a lump-sum payment.

(a) The cost of the service shall be computed in the same manner as for a lump-sum payment which shall be the principal; and interest, at the actuarial rate in effect at the time the member elects to make the purchase compounded annually, shall be added for the period that the installments are to be made. Multiple service purchases may be combined under a single installment purchase; however, no employee may make more than one (1) installment purchase at the same time. Once multiple service purchases have been combined in an installment purchase, the employee may not separate the purchases or pay a portion of one (1) of the purchases. The employee may elect to stop the installment payments by notifying the retirement system; may have the installment purchase recalculated to add one (1) or more additional service purchases; or may pay by lump sum the remaining principal.

(b) Twelve (12) consecutive monthly installment payments shall be made for each one thousand dollars ($1,000) or any part thereof of the total cost, except that the total number of installments shall not be less than twelve (12) and shall not exceed sixty (60).

(c) The employee shall pay the installments by payroll deduction each pay period. Upon notification by the retirement system, the employer shall report the installment payments separate from regular employee contributions on the forms or by the computer format specified by the board. The payments made under this subsection shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 61.560(4) and no employer contributions shall be paid on the installments.

(d) The retirement system shall determine how much of the total cost represents payment for one (1) month of the service to be purchased and shall credit one (1) month of service to the member's account each time this amount has been paid. The first service credited shall represent the first calendar month of the service to be purchased and each succeeding month of service credit shall represent the succeeding months of that service.

(e) If the employee elects to stop the installment payments, dies, retires, or does not continue employment in a position required to participate in the retirement system, the member, or in the case of death, the beneficiary, shall have sixty (60) days to pay the remaining principal of the purchase by lump sum. If the member or beneficiary does not pay the remaining cost, the retirement system shall refund to the member or the beneficiary the payment, payments, or portion of a payment that does not represent a full month of service purchased.

(f) If the employer does not report installment payments on an employee for sixty (60) days, the installment purchase shall cease and the retirement system shall refund to the employee the payment, payments, or portion of a payment that does not represent a full month of service purchased.

(g) If payments have ceased under paragraph (e) or (f) of this subsection and the member later becomes a participating employee in one (1) of the three (3) systems administered by Kentucky Retirement Systems, the employee may complete the adjusted original installment purchase by lump sum or installment payments. If the employee elects to renew the installment purchase, the cost of the remaining service shall be recalculated in accordance with paragraph (a) of this subsection. If the original installment purchase was for multiple service purchases, the employee may not separate those purchases under a new installment purchase.

(h) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by transferring funds pursuant to the rules in 26 U.S.C. sec. 401(a)(31) directly from a retirement plan or a deferred compensation arrangement maintained by his employer which is a qualified plan pursuant to 26 U.S.C. sec. 401(a). Service credit may also be purchased by a rollover of funds from a qualified retirement plan pursuant to the rules specified in 26 U.S.C. sec. 402(c). The Kentucky Retirement Systems shall accept the transfer or rollover to the extent permitted under the rules specified in 26 U.S.C. secs. 402(c) and 401(a)(31). The amount shall be credited to the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member.

(17) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems who is age sixty-five (65) or older and has forty-eight (48) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System or, if younger, who has sixty (60) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System may purchase credit in the system in which the employee has the service credit for up to ten (10) years service in a regular full-time position that was credited to a state or local government-administered public defined benefit plan in another state other than a defined benefit plan for teachers. The employee shall pay the full cost of the service as determined by the system. Payment may be by lump sum, or the employee may pay by increments. The employee may transfer funds directly from the other state's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws and shall provide proof that he is not eligible for a retirement benefit for the period of service from the other state's plan.

(18) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems, who has sixty (60) or more months of service in the State Police Retirement System or in a hazardous position in the Kentucky Employees Retirement System or the County Employees Retirement System, may purchase credit in the system in which the employee has the sixty (60) months of service credit for up to ten (10) years of service in a regular full-time position that was credited to a defined benefit retirement plan administered by a state or local government in another state, if the service could be certified as hazardous pursuant to KRS 61.592. The employee shall pay the full cost of the service credit as determined by the system. Payment may be by lump sum or by increments. The employee may transfer funds directly from the other unit of government's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws, and the employee shall provide proof that he is not eligible for a retirement benefit for the period of service from the other unit of government's plan.

(19) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) who has completed service as a volunteer in the Kentucky Peace Corps, created by KRS 154.01-720, may purchase service credit for the time served in the corps by making delayed contribution payments.

(20) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65), or at least sixty (60) months' service if under age sixty-five (65), and who was formerly employed in a

regional community mental health and mental retardation services program, organized and operated under the provisions of KRS 210.370 to 210.480, which does not participate in a state-administered retirement system may obtain credit for the period of his service in the regional community mental health and mental retardation program, by paying to the state retirement system in which he participates the full cost of the service credit purchased, as determined by the system. Payment to one (1) of the retirement systems administered by the Kentucky Retirement Systems may be made by lump sum or in increments.

(21) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65), who was employed by a vocational technical school in a noncertified part-time position averaging eighty (80) or more hours per month, determined by using the number of months actually worked within a calendar or fiscal year, may purchase service credit in the Kentucky Employees Retirement System. The cost of the service shall be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

(22) Any employee participating in one (1) of the state-administered retirement systems on June 30, 2000, may obtain credit for subsequent service with a parted employer from the Commonwealth operating for the purposes of KRS 163.475, by paying to the respective retirement system a delayed contribution payment if the respective retirement system receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall be deposited to the individual member's account. The delayed contribution payment shall not be picked up by the employer as described in KRS 61.560(4).

(23) Any employee participating in the County Employees Retirement System who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may purchase service credit for service with a city, county, or joint city-county planning commission, if that service was not covered by a state-administered retirement system. Notwithstanding any statute to the contrary, the employee shall be entitled to a full month of service for each month or portion of month that the employee occupied the position whether or not the employee would have qualified, at the time of planning commission service, for the service under KRS 6.525. The employee shall pay to the retirement system the full cost of the service credit purchased, as determined by the board's actuary. The payment shall not be picked up, as described in KRS 78.610(4), by the employer and shall be deposited to the member's account. Payment may be by lump sum or in increments. The employee may obtain credit for service with a city, county, or joint city-county planning commission only if the Kentucky Retirement Systems receives a favorable letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor.

(24) (a) Any member or retired member of one (1) of the retirement systems administered by the Kentucky Retirement Systems who is entitled to service credit for employment which was not reported in accordance with KRS 16.543, 61.543, or KRS 78.615 may obtain credit for the service by paying the employee contributions due within six (6) months of notification by the system. No interest shall be added to the contributions. The service credit shall not be credited to the member's account until the employer contributions are received. If a retired member makes the payment within six (6) months, the retired member's retirement allowance shall be adjusted to reflect the added service after the employer contributions are received by the retirement system.

(b) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems who is entitled to service credit under paragraph (a) of this subsection and who has not repaid the employee contributions due within six (6) months of notification by the system may regain the credit after the six (6) months by paying to the system the employee contributions plus interest at the actuarially assumed rate from the date of initial notification under paragraph (a) of this subsection. Service credit shall not be credited to the member's account until the employer contributions are received by the retirement system. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(25) Any employee participating in one (1) of the state-administered retirement systems may purchase service credit for employment with a public agency that would have been eligible to participate under KRS 61.520 but which did not participate in the Kentucky Employees Retirement System or a political subdivision that would have been eligible to participate under KRS 78.530 but which did not participate in the County Employees Retirement System if the former public agency or political subdivision has merged with or been taken over by a participating department or county. The cost of the service shall be determined as a delayed contribution payment for the respective retirement system. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or KRS 78.610(4), by the employer.

(26) ***(a)*** Any employee participating in one (1) of the ***nonhazardous*** retirement systems administered by the Kentucky Retirement Systems[~~ on or after August 1, 1998~~], who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years of retirement service credit which is not otherwise purchasable under any of the provisions of KRS 16.510 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852. The purchase price for the retirement service credit shall be calculated and paid for ***as a delayed contribution payment***[~~based on the full actuarial cost as determined by the system~~]. The payment shall not be picked up, as described in KRS 16.545(4), KRS 61.560(4), KRS 78.610(4), by the employer, and the employee's payment shall be paid into the individual member's contribution account in the appropriate retirement system and

shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by increments.

(b) Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems on or after August 1, 2002, who is employed as a state police officer or in a hazardous position, as provided in KRS 61.592, and who has total service credit of at least one hundred eighty (180) months as a state police officer or in a hazardous position, as provided in KRS 61.592, may purchase a combined maximum total of five (5) years of retirement service credit which is not otherwise purchasable under any of the provisions of KRS 16.510 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852. If purchased before the employee has two hundred forty (240) months of service credit, the service purchase shall not be used to qualify for normal retirement under KRS 16.576 or early retirement under KRS 16.577 nor to qualify for hospital and medical insurance coverage under KRS 61.702. The purchase price for the retirement service credit shall be calculated and paid for as a delayed contribution payment. The payment shall not be picked up, as described in KRS 16.545(4), 61.560(4), and 78.610(4), by the employer, and the employee's payment shall be paid into the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by increments.

(27) An employee participating in one (1) of the state-administered retirement systems, who has at least forty-eight (48) months of service if age sixty-five (65), or at least sixty (60) months of service if under age sixty-five (65), may obtain credit in the County Employees Retirement System for the period of that employee's service with a community action agency created under KRS 273.405 to 273.453 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system the full actuarial cost of the service credit purchased. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or 78.610(4), by the employer.

The Committee Substitute to **HB 427** is as follows:

HB 427, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.552 is amended to read as follows:

(1) Any employee participating in one (1) of the state-administered retirement systems who has been refunded his accumulated contributions under the provisions of KRS 16.645(22), 61.625, or 78.545(15), thereby losing service credit, may regain the credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system. If the participating employee dies before regaining lost service credit, the employee's beneficiary, as designated according to the requirements of the employee's retirement system, may regain the credit by paying the amount refunded with interest at a rate determined by the board of the respective retirement system. Thereafter the beneficiary shall be entitled to the benefits that are payable based upon the deceased employee's total service credit. The provisions of KRS 161.470 shall be met in order to regain the credit in the Teachers' Retirement System. KRS 21.460 shall govern with respect to regaining credit in the Judicial Retirement Plan or Legislators' Retirement Plan. The beneficiary shall make the payment within one (1) year of the date of the employee's death. The payment, including interest as determined by the board, shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(2) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the County Employees Retirement System, as provided in KRS 78.540(2), may obtain credit in the County Employees Retirement System for prior service and for current service by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.

(3) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the Kentucky Employees Retirement System, as provided in KRS 61.525(2), may obtain credit in the Kentucky Employees Retirement System for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.

(4) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the Kentucky Employees Retirement System for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments. Effective August 1, 1988, each employee of the Kentucky Racing Commission who was employed by the racing commission on the date that agency first participated in the Kentucky Employees Retirement System, whether or not the employee was eligible to participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the

service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.

(5) (a) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the County Employees Retirement System for current service between July 1, 1958, and the effective date of participation of his county by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(b) An employee participating in the Kentucky Employees Retirement System or the County Employees Retirement System, who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for the period of his service with an area development district created pursuant to KRS 147A.050 or with a business development corporation created pursuant to KRS 155.001 to 155.230 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system in which he participates the full cost of the service credit purchased, as determined by the board's actuary. The employee may obtain credit for employment with a business development corporation only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. Payment may be by lump sum or the employee may pay by increments.

(6) After August 1, 2000, service credit obtained under the subsections of this section which do not require the employee to have a minimum number of years of service credit to be eligible to make a purchase shall be disallowed and the recontribution of refund, including interest as determined by the board or other payment, if any, shall be paid to the member if the member does not obtain for service performed six (6) months' additional current service credit in one (1) of the state-administered retirement systems. The service requirement shall be waived if the member dies or becomes disabled as provided for by KRS 16.582 or 61.600.

(7) The members shall not receive benefit of service for the same period of time in another public defined benefit retirement fund.

(8) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65) in one (1) of the retirement systems administered by the Kentucky Retirement Systems, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by a defined benefit retirement program, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the County Employees Retirement System, the Kentucky Employees Retirement System, or the State Police Retirement System for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the County Employees, Kentucky Employees Retirement System, or State Police Retirement System. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum, or the employee may pay by increments.

(9) (a) Effective August 1, 1980, any county participating in the County Employees Retirement System may purchase current service, between July 1, 1958, and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);

(b) Effective July 1, 1973, any department participating in the Kentucky Employees Retirement System may purchase current service between July 1, 1956, and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);

(c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for the service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of the service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period;

(d) If a county or department elects the provisions of this subsection, any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for the service credit refunded with interest at the rate paid under KRS 61.575 or 78.640;

(e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.

(10) Interest paid by a member of the Kentucky Employees Retirement System, County Employees Retirement System, or State

Police Retirement System under this section or other similar statutes under KRS 16.510 to 16.652, KRS 61.515 to 61.705, or KRS 78.520 to 78.852 prior to June 19, 1976, shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

(11) Employees who served as assistants to officers and employees of the General Assembly who were unable to acquire service under KRS 61.510(20) may purchase credit for the service performed after January 1, 1960, if the service purchased when added to other accumulated service will total at least forty-eight (48) months. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).

(12) (a) Effective August 1, 1988, any employee participating in one (1) of the state-administered retirement systems may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on a calendar or fiscal year basis. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

(b) Any noncertified employee of a school board may purchase service credit for part-time employment prior to the 1990-91 school year which averaged eighty (80) or more hours of work per month on a calendar or fiscal year basis by paying to the County Employees Retirement System a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 78.610(4), by the employer. Payment may be by lump sum or the employee may pay by increments. If the average number of hours of work is less than eighty (80) per month, the noncertified employee of a school board shall be allowed credit only for those months he receives creditable compensation for eighty (80) hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 78.610(4).

(13) A retired member, who is contributing to one (1) of the state-administered retirement programs and purchases service credit under this section in the system or systems from which he is retired, shall have his retirement allowance recomputed:

(a) Upon termination from employment, if the member is contributing to the same system or systems from which he was retired; or

(b) Upon completion of six (6) months' service credit as required under subsection (6) of this section, if the member is contributing to a system other than the system or systems from which he is retired.

(14) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for prior or current service for any period of approved educational leave, or for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, by paying to the respective retirement system a delayed contribution payment. The employee may also obtain credit for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, but only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(15) Any employee participating in one (1) of the state-administered retirement systems may obtain credit for prior or current service for any period of approved maternity leave, or for any period of approved sick leave without pay, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(16) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by making installment payments in lieu of a lump-sum payment.

(a) The cost of the service shall be computed in the same manner as for a lump-sum payment which shall be the principal; and interest, at the actuarial rate in effect at the time the member elects to make the purchase compounded annually, shall be added for the period that the installments are to be made. Multiple service purchases may be combined under a single installment purchase; however, no employee may make more than one (1) installment purchase at the same time. Once multiple service purchases have been combined in an installment purchase, the employee may not separate the purchases or pay a portion of one (1) of the purchases. The employee may elect to stop the installment payments by notifying the retirement system; may have the installment purchase recalculated to add one (1) or more additional service purchases; or may pay by lump sum the remaining principal.

(b) Twelve (12) consecutive monthly installment payments shall be made for each one thousand dollars ($1,000) or any part thereof of the total cost, except that the total number of installments shall not be less than twelve (12) and shall not exceed sixty (60).

(c) The employee shall pay the installments by payroll deduction each pay period. Upon notification by the retirement system, the employer shall report the installment payments separate from regular employee contributions on the forms or by the computer format specified by the board. The payments made under this subsection shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 61.560(4) and no employer contributions shall be paid on the installments.

(d) The retirement system shall determine how much of the total cost represents payment for one (1) month of the service to be purchased and shall credit one (1) month of service to the member's account each time this amount has been paid. The first service credited shall represent the first calendar month of the service to be purchased and each succeeding month of service credit shall represent the succeeding months of that service.

(e) If the employee elects to stop the installment payments, dies, retires, or does not continue employment in a position required to participate in the retirement system, the member, or in the case of death, the beneficiary, shall have sixty (60) days to pay the remaining principal of the purchase by lump sum. If the member or beneficiary does not pay the remaining cost, the retirement system shall refund to the member or the beneficiary the payment, payments, or portion of a payment that does not represent a full month of service purchased.

(f) If the employer does not report installment payments on an employee for sixty (60) days, the installment purchase shall cease and the retirement system shall refund to the employee the payment, payments, or portion of a payment that does not represent a full month of service purchased.

(g) If payments have ceased under paragraph (e) or (f) of this subsection and the member later becomes a participating employee in one (1) of the three (3) systems administered by Kentucky Retirement Systems, the employee may complete the adjusted original installment purchase by lump sum or installment payments. If the employee elects to renew the installment purchase, the cost of the remaining service shall be recalculated in accordance with paragraph (a) of this subsection. If the original installment purchase was for multiple service purchases, the employee may not separate those purchases under a new installment purchase.

(h) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by transferring funds pursuant to the rules in 26 U.S.C. sec. 401(a)(31) directly from a retirement plan or a deferred compensation arrangement maintained by his employer which is a qualified plan pursuant to 26 U.S.C. sec. 401(a). Service credit may also be purchased by a rollover of funds from a qualified retirement plan pursuant to the rules specified in 26 U.S.C. sec. 402(c). The Kentucky Retirement Systems shall accept the transfer or rollover to the extent permitted under the rules specified in 26 U.S.C. secs. 402(c) and 401(a)(31). The amount shall be credited to the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member.

(17) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems who is age sixty-five (65) or older and has forty-eight (48) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System or, if younger, who has sixty (60) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System may purchase credit in the system in which the employee has the service credit for up to ten (10) years service in a regular full-time position that was credited to a state or local government-administered public defined benefit plan in another state other than a defined benefit plan for teachers. The employee shall pay the full cost of the service as determined by the system. Payment may be by lump sum, or the employee may pay by increments. The employee may transfer funds directly from the other state's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws and shall provide proof that he is not eligible for a retirement benefit for the period of service from the other state's plan.

(18) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems, who has sixty (60) or more months of service in the State Police Retirement System or in a hazardous position in the Kentucky Employees Retirement System or the County Employees Retirement System, may purchase credit in the system in which the employee has the sixty (60) months of service credit for up to ten (10) years of service in a regular full-time position that was credited to a defined benefit retirement plan administered by a state or local government in another state, if the service could be certified as hazardous pursuant to KRS 61.592. The employee shall pay the full cost of the service credit as determined by the system. Payment may be by lump sum or by increments. The employee may transfer funds directly from the other unit of government's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws, and the employee shall provide proof that he is not eligible for a retirement benefit for the period of service from the other unit of government's plan.

(19) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) who has completed service as a volunteer in the Kentucky Peace Corps, created by KRS 154.01-720, may purchase service credit for the time served in the corps by making delayed contribution payments.

(20) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65), or at least sixty (60) months' service if under age sixty-five (65), and who was formerly employed in a regional community mental health and mental retardation services program, organized and operated under the provisions of KRS 210.370 to 210.480, which does not participate in a state-administered retirement system may obtain credit for the period of his service in the regional community mental health and mental retardation program, by paying to the state

retirement system in which he participates the full cost of the service credit purchased, as determined by the system. Payment to one (1) of the retirement systems administered by the Kentucky Retirement Systems may be made by lump sum or in increments.

(21) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65), who was employed by a vocational technical school in a noncertified part-time position averaging eighty (80) or more hours per month, determined by using the number of months actually worked within a calendar or fiscal year, may purchase service credit in the Kentucky Employees Retirement System. The cost of the service shall be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

(22) Any employee participating in one (1) of the state-administered retirement systems on June 30, 2000, may obtain credit for subsequent service with a parted employer from the Commonwealth operating for the purposes of KRS 163.475, by paying to the respective retirement system a delayed contribution payment if the respective retirement system receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall be deposited to the individual member's account. The delayed contribution payment shall not be picked up by the employer as described in KRS 61.560(4).

(23) Any employee participating in the County Employees Retirement System who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may purchase service credit for service with a city, county, or joint city-county planning commission, if that service was not covered by a state-administered retirement system. Notwithstanding any statute to the contrary, the employee shall be entitled to a full month of service for each month or portion of month that the employee occupied the position whether or not the employee would have qualified, at the time of planning commission service, for the service under KRS 6.525. The employee shall pay to the retirement system the full cost of the service credit purchased, as determined by the board's actuary. The payment shall not be picked up, as described in KRS 78.610(4), by the employer and shall be deposited to the member's account. Payment may be by lump sum or in increments. The employee may obtain credit for service with a city, county, or joint city-county planning commission only if the Kentucky Retirement Systems receives a favorable letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor.

(24) (a) Any member or retired member of one (1) of the retirement systems administered by the Kentucky Retirement Systems who is entitled to service credit for employment which was not reported in accordance with KRS 16.543, 61.543, or KRS 78.615 may obtain credit for the service by paying the employee contributions due within six (6) months of notification by the system. No interest shall be added to the contributions. The service credit shall not be credited to the member's account until the employer contributions are received. If a retired member makes the payment within six (6) months, the retired member's retirement allowance shall be adjusted to reflect the added service after the employer contributions are received by the retirement system.

(b) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems who is entitled to service credit under paragraph (a) of this subsection and who has not repaid the employee contributions due within six (6) months of notification by the system may regain the credit after the six (6) months by paying to the system the employee contributions plus interest at the actuarially assumed rate from the date of initial notification under paragraph (a) of this subsection. Service credit shall not be credited to the member's account until the employer contributions are received by the retirement system. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(25) Any employee participating in one (1) of the state-administered retirement systems may purchase service credit for employment with a public agency that would have been eligible to participate under KRS 61.520 but which did not participate in the Kentucky Employees Retirement System or a political subdivision that would have been eligible to participate under KRS 78.530 but which did not participate in the County Employees Retirement System if the former public agency or political subdivision has merged with or been taken over by a participating department or county. The cost of the service shall be determined as a delayed contribution payment for the respective retirement system. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or KRS 78.610(4), by the employer.

(26) Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems[~~on or after August 1, 1998~~], who has at least ***one hundred and eighty (180)***[~~two hundred forty (240)~~] months of service credit may purchase a combined maximum total of five (5) years of retirement service credit which is not otherwise purchasable under any of the provisions of KRS 16.510 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852. The purchase price for the retirement service credit shall be calculated and paid for ***as a delayed contribution payment***[~~based on the full actuarial cost as determined by the system~~]. The payment shall not be picked up, as described in KRS 16.545(4), KRS 61.560(4), KRS 78.610(4), by the employer, and the employee's payment shall be paid into the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by increments. ***The service purchased under this subsection shall not be used in determining a retirement allowance until the member has accrued at least two hundred and forty (240) months of service, excluding service purchased under this subsection. If the member does not accrue at least two***

hundred and forty (240) months of service, excluding service purchased under this subsection, upon retirement, death or written request following termination, the payment plus interest as provided in KRS 61.575 shall be refunded.

(27) An employee participating in one (1) of the state-administered retirement systems, who has at least forty-eight (48) months of service if age sixty-five (65), or at least sixty (60) months of service if under age sixty-five (65), may obtain credit in the County Employees Retirement System for the period of that employee's service with a community action agency created under KRS 273.405 to 273.453 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system the full actuarial cost of the service credit purchased. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or 78.610(4), by the employer.

HB 530, AN ACT relating to state employee voluntary supplemental health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.225 is amended to read as follows:

(1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and

(b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government; or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.

(2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

(b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.

(c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.

(d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.

(e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorially required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.

(f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

(g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.

(3) *(a)* The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.

(b) In addition to the dental insurance or prepaid dental plan coverage authorized by paragraph (a) of this subsection, the secretary of the Finance and Administration Cabinet shall procure a comprehensive dental insurance plan or plans which shall be available to all state employees on a voluntary payroll deduction basis, from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304. For the purposes of this paragraph a "comprehensive dental insurance plan" shall include preventive care and basic care, and may include major care.

(c) In addition to the health insurance coverage required by paragraph (a) of this subsection, the secretary of the Finance and Administration Cabinet shall procure a comprehensive vision insurance plan or plans, which shall be available to all state employees on a voluntary payroll deduction basis, from one (1) or more vision insurance companies, or one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304. For the purposes of this paragraph a "comprehensive vision insurance plan" shall include an annual eye exam, prescription eyewear and glaucoma screening.

(d) The dental insurance plan authorized by paragraph (b) of this subsection and the vision insurance plan authorized by paragraph (c) of this subsection are to be made available to state employees on a voluntary payroll deduction basis only, with the employee to bear the entire cost of the policy premium. The policy or policies shall be approved by the commissioner of insurance.

(4) The premiums may be paid by the policyholder:

(a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;

(b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or

(c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.

(5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.

(6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.

(7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.

(8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.

(9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.

(10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.

(11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.

(12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.

(13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.

(14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

The Committee Substitute to **HB 530** is as follows:

HB 530, AN ACT relating to state employee voluntary supplemental health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.225 is amended to read as follows:

(1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and

(b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.

(2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

(b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.

(c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.

(d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.

(e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.

(f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

(g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.

(3) *(a)* The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.

(b) In addition to the dental insurance or prepaid dental plan coverage authorized by paragraph (a) of this subsection, the secretary of the Finance and Administration Cabinet shall procure a comprehensive dental insurance plan or plans which shall be available to all state employees on a voluntary payroll deduction basis, from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304. For the purposes of this paragraph a "comprehensive dental insurance plan" shall include preventive care and basic care, and may include major care.

(c) In addition to the health insurance coverage required by paragraph (a) of this subsection, the secretary of the Finance and Administration Cabinet shall procure a comprehensive vision insurance plan or plans, which shall be available to all state employees on a voluntary payroll deduction basis, from one (1) or more vision insurance companies, or one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304. For the purposes of this paragraph a "comprehensive vision insurance plan" shall include a comprehensive annual eye exam, performed by an ophthalmologist or an optometrist, and prescription eyewear.

(d) The dental insurance plan authorized by paragraph (b) of this subsection and the vision insurance plan authorized by paragraph (c) of this subsection are to be made available to state employees on a voluntary payroll deduction basis only, with the employee to bear the entire cost of the policy premium. The policy or policies shall be approved by the commissioner of insurance. State employees shall be provided with information regarding the dental insurance plan and the vision insurance plan during the open enrollment period.

(4) The premiums may be paid by the policyholder:

(a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;

(b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or

(c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.

(5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.

(6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.

(7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.

(8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-

existing condition limitation upon initial employment or reemployment with the group.

(9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.

(10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.

(11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.

(12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.

(13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.

(14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

HB 545, AN ACT relating to workplace violence.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) For the purposes of this section "workplace violence" is defined as the attempted, threatened, or actual conduct of a person who endangers or is likely to endanger the health and safety of state employees or the general public, or a threatening statement, harassment, or behavior that gives a state employee or member of the general public reasonable cause to believe that his or her health or safety is at risk. Examples of workplace violence include, but are not limited to, the following:

(a) Threatening to harm a state employee or member of the general public;

(b) Brandishing or displaying a weapon or an object that looks like a weapon in a manner which would present a safety risk to a state employee or a member of the general public or threatens or intimidates that person;

(c) Intimidating, threatening, or directing abusive language toward another person, either verbally, in writing, or by gesture;

(d) Stalking;

(e) Striking, slapping, or otherwise physically attacking another person; and

(f) Disobeying or failing to follow the reasonable directive of a supervisor to take action to cease actions which create a risk to the health and safety of a state employee or member of the general public or threatens or intimidates that person.

(2) Each employee as defined in KRS 18A.005(14), classified or otherwise, shall receive no less than four (4) hours training on the topic of workplace violence awareness and prevention. Training programs or components on workplace violence awareness and prevention may be provided by the Governmental Services Center or may be provided by state agencies, as defined in KRS 42.010, through their current staff development training programs.

(3) Training programs or components on workplace violence shall be approved by the Governmental Services Center. The Governmental Services Center shall work with the Labor Cabinet and other state agencies to develop training programs or training components that are current, consistent, and appropriate to the needs of the agency.

(4) Workplace violence awareness and prevention training shall include, but not be limited to, the following:

(a) Information on laws regarding workplace violence;

(b) Location and availability of written policies and procedures on workplace violence;

(c) Emergency procedures for responding to a violent incident; and

(d) Persons responsible for implementing and monitoring an agency's workplace violence safety program.

(5) State agencies shall complete the training of employees in workplace violence awareness and prevention no later than June 30, 2004, for persons employed on the effective date of this Act.

(6) An employee hired on or after July 1, 2003, shall receive workplace violence awareness and prevention training during his or her initial probation. In no case shall an employee receive workplace violence awareness and prevention training later than twelve (12) months from the date of the employee's most recent appointment. If, however, an employee has participated in state-sponsored training on workplace violence within three (3) months prior to a new appointment, he or she may be exempt from training requirements during his or her period of probation, but shall receive training related to workplace violence within twelve (12) months of the most recent appointment.

Section 2. KRS 18A.030 is amended to read as follows:

(1) The secretary shall be the executive and administrative head of the cabinet and shall supervise and control all examinations and work of the cabinet. He shall advise the board on matters pertaining to the classified service of this state. Within the limitations of the budget, the secretary shall appoint and supervise the staff needed in the cabinet to carry out the purposes of KRS 18A.005 to 18A.200 except employees of the board who shall be appointed as provided in KRS 18A.090.

(2) Subject to the provisions of this chapter and KRS Chapter 13A, the secretary shall, with the aid of his staff:

- (a) Attend all meetings of the board;
- (b) As provided by this chapter, promulgate comprehensive administrative regulations consistent with the provisions of KRS Chapters 13A and 18A, and with federal standards for the administration of a personnel system in the agencies of the state government receiving federal grants;
- (c) Establish general procedures for personnel recruitment, for certification, and for improving the efficiency of employed personnel;
- (d) Appoint the examiners and technicians necessary for the conduct of the personnel program, whether on a permanent or temporary basis;
- (e) Prepare and maintain a record of all employees, showing for each employee his name, address, title of position held, rate of compensation, changes in status, compensation, or title, transfer, and to make the data and the class specifications for all positions available to the press and public;
- (f) Prepare, in accordance with the provisions of KRS 18A.005 to 18A.200 and the administrative regulations adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment;
- (g) Make certification for appointment or promotion within the classified service, in accordance with the provisions of KRS 18A.005 to 18A.200;
- (h) Make investigations concerning all matters touching the enforcement and effect of the provisions of KRS 18A.005 to 18A.200 and administrative regulations prescribed thereunder;
- (i) Prepare, in cooperation with appointing authorities and others, programs for employee training, safety, morale, work motivation, health, counseling, and welfare, and exercise leadership in the development of effective personnel administration within the several departments of the Commonwealth, and make available the facilities of the department to this end;
- (j) Provide personnel services to unclassified employees in agreement with the agencies involved not otherwise provided for in KRS 18A.005 to 18A.200;
- (k) Present, in accordance with the provisions of KRS Chapter 48, budget requests for the support of the personnel system created by KRS 18A.005 to 18A.200, excluding the board, which shall present its own budget estimates;
- (l) Make a report and submit the same to the board, the Legislative Research Commission, and the Governor not later than October first of each year; and
- (m) Discharge the other duties imposed upon him by KRS 18A.005 to 18A.200.

(3) The secretary on behalf of the cabinet may join or subscribe to any association or service having as its purpose the interchange of information relating to the improvement of the public service and especially improvement of personnel administration.

(4) The secretary shall keep records relative to employee turnover and report to the board, the Governor, and the Legislative Research Commission quarterly. The report shall reflect employee turnover rates by cabinet, department, bureau, division, and section. If any cabinet, department, bureau, division, or section has a turnover rate of fifteen percent (15%) or more in any twelve (12) month period, the secretary shall conduct an investigation into the reasons for the turnover and report the findings to the board, the Governor, and the Legislative Research Commission.

(5) The secretary shall provide to each new state employee and to each existing state employee, classified or otherwise, on an annual basis an informational pamphlet about human immunodeficiency virus infection and acquired immunodeficiency syndrome. The pamphlet shall be approved by the Cabinet for Health Services and shall contain information about the nature and extent of these diseases, methods of transmission, preventive measures, and referral services.

(6) The secretary shall provide to each state employee, as defined in KRS 18A.005(14), classified or otherwise, on an annual basis information on violence in the workplace. The information shall include, but not be limited to, the

workplace violence policy of the Commonwealth, nature and scope of workplace violence in Kentucky, general information on policies and procedures designed to reduce the risk of violence in the workplace, particularly emergency communication measures, and a listing of resources to assist employees who have been affected by occurrences of violence in the workplace.

SECTION 3. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

(1) State agencies as defined in KRS 42.010 shall develop, implement, and monitor a program designed to reduce and eliminate the risks of workplace violence. Workplace violence safety programs may include, but not be limited to, the following:

(a) Policy statement on workplace violence;

(b) Personnel responsible for implementing and monitoring the effectiveness of the program;

(c) Procedures for identifying and assessing risk that may lead to violence;

(d) Procedures for responding to occurrences of workplace violence;

(e) Procedures for correcting hazards or potential hazards associated with workplace violence;

(f) Procedures for referring employees to appropriate resources and services for treatment or counseling following exposure to an incidence of workplace violence;

(g) Procedures for communicating with employees about workplace safety issues;

(h) Procedures for documenting occurrences of workplace violence, corrective actions taken, follow-up activities, and methods for ensuring compliance with agency policy;

(i) Timetables and methods for providing training on workplace violence for employees, supervisors, and managers; and

(j) Other components set forth in the Occupational Safety and Health Administration's guidelines for workplace violence.

(2) State agencies shall develop and begin implementing a workplace violence safety program no later than January 1, 2003.

(3) The Labor Cabinet shall upon written request from the agency provide the state agency with information or other technical assistance, as needed, to develop an effective safety program on workplace violence.

SECTION 4. A NEW SECTION OF KRS CHAPTER 338 IS CREATED TO READ AS FOLLOWS:

(1) The Labor Cabinet shall recommend that employers, as defined in KRS 338.015, develop, implement, and monitor a safety program designed to reduce the risk of workplace violence. Employer safety programs on workplace violence may include, but shall not be limited to, the following:

(a) Employer's policy statement on workplace violence;

(b) Personnel responsible for implementing and monitoring the effectiveness of the program;

(c) Procedures for identifying and assessing risks that may lead to violence;

(d) Procedures for responding to occurrences of workplace violence;

(e) Procedures for correcting hazards or potential hazards associated with workplace violence;

(f) Procedures for referring employees to appropriate resources and services for treatment or counseling following exposure to an incidence of workplace violence;

(g) Procedures for communicating with employees about workplace safety issues;

(h) Procedures for documenting occurrences of workplace violence, corrective actions taken, follow-up activities, and methods for ensuring compliance with the employer's policy;

(i) Timetables and methods for providing training on workplace violence for employees, supervisors, and managers; and

(j) Other components set forth in the Occupational Safety and Health Administration's guidelines for workplace violence.

(2) The Labor Cabinet, upon the written request of the employer, shall provide the employer with information, training, or other technical assistance, as needed, to develop an effective safety program on workplace violence.

Section 5. KRS 338.041 is amended to read as follows:

(1) There is hereby created in the Department of Workplace Standards a Program for Occupational Safety and Health. This program shall consist of a Division of Occupational Safety and Health Compliance and a Division of Education and Training for Occupational Safety and Health. This program shall administer all matters pertaining to occupational safety and occupational health and shall be under the supervision of an occupational safety and health coordinator. The secretary of the Labor Cabinet shall appoint the occupational safety and health coordinator.

(2) The Department of Workplace Standards may require the assistance of other state agencies and may enter into agreements with other state agencies and political subdivisions of the Commonwealth for the administration of this chapter.

(3) The Department of Workplace Standards may enter into an agreement with the Cabinet for Health Services and other appropriate departments or agencies to conduct research, experiments, and demonstrations relating to occupational safety and health *inclusive of workplace violence*, including studies of psychological factors involved, and relating to innovative methods, techniques, and approaches for dealing with occupational safety and health problems in the administration of this chapter.

SECTION 6. A NEW SECTION OF SUBTITLE 20 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Companies selling casualty insurance, as defined in KRS 304.5-070, shall give an employer a discount when the employer has implemented an effective workplace violence awareness and prevention program. Workplace violence safety programs may include, but shall not be limited to, the following:

- *(a) A policy statement on workplace violence;*
- *(b) Personnel responsible for implementing and monitoring the effectiveness of the program;*
- *(c) Procedures for identifying and assessing risk that may lead to violence;*
- *(d) Procedures for responding to occurrences of workplace violence;*
- *(e) Procedures for correcting hazards or potential hazards associated with workplace violence;*
- *(f) Procedures for referring employees to appropriate resources and services for treatment or counseling following exposure to an incidence of workplace violence;*
- *(g) Procedures for communicating with employees about workplace safety issues;*
- *(h) Procedures for documenting occurrences of workplace violence, corrective actions taken, follow-up activities, and methods for ensuring compliance with the employer's policy;*
- *(i) Timetables and methods for providing training on workplace violence for employees, supervisors, and managers; and*
- *(j) Other components set forth in the Occupational Safety and Health Administration's guidelines for workplace violence.*

(2) Provisions of this section shall apply to all casualty insurance policies issued on or renewed after July 1, 2003.

SECTION 7. A NEW SECTION OF KRS 15.315 TO 15.510 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Law Enforcement Council shall develop, in conjunction with the Labor Cabinet and the Governmental Services Center, an educational program on workplace violence of no less than three (3) hours to be offered by the Department of Criminal Justice Training to all law enforcement officers. The educational program shall be part of the basic law enforcement training as defined in KRS 15.310.

(2) Information on workplace violence shall be part of any continuing education program or in-service training program offered by the Department of Criminal Justice Training.

SECTION 8. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

(1) The Workplace Violence Oversight and Advisory Council is created and established for the purpose of monitoring the implementation of policies, practices, and initiatives related to workplace violence in the Commonwealth. The council, in collaboration with public and private employers, shall strive to increase the awareness of all Kentuckians regarding the prevalence and impact of workplace violence on the social and economic welfare of the Commonwealth.

(2) Members of the council shall include:

- *(a) A representative of the Senate, appointed by the President of the Senate;*
- *(b) A representative of the House of Representatives, appointed by the Speaker of the House of Representatives;*
- *(c) The Lieutenant Governor;*
- *(d) The secretary of the Labor Cabinet, or the secretary's designee;*
- *(e) The secretary of the Workforce Development Cabinet, or the secretary's designee;*
- *(f) The secretary of the Cabinet for Families and Children, or the secretary's designee;*
- *(g) The President of the Kentucky AFL-CIO, or the president's designee;*
- *(h) A member of the Kentucky Center for School Safety;*
- *(i) The following members, appointed by the Governor. To be eligible for appointment under this paragraph, a person shall have an understanding of, and demonstrated commitment to, addressing crimes and other issues related to violence in the workplace:*
  - *1. A representative of the judiciary, recommended to the Governor by the Chief Justice of the Kentucky Supreme Court;*
  - *2. A representative of law enforcement;*
  - *3. A health care provider;*
  - *4. A mental health professional; and*

5. A representative of the business community.

(3) Appointed council members shall serve at the pleasure of the appointing authority but shall not serve longer than four (4) years without reappointment.

(4) The council shall meet at least four (4) times annually, or upon call of the co-chairs. The council shall have two (2) co-chairs, one (1) of whom shall be the Lieutenant Governor and one (1) of whom shall be a member of the General Assembly appointed by the Legislative Research Commission.

(5) The council shall establish any committees necessary to carry out its duties.

(6) The duties and responsibilities of the council shall include, but not be limited to, the following:

(a) Promoting coordination among agencies and officials responsible for addressing issues of workplace violence;

(b) Determining the availability of services for victims, witnesses, offenders, and others affected by an act of violence in the workplace;

(c) Promoting community awareness and the prevention of workplace violence;

(d) Reviewing and analyzing data and information relating to workplace violence from existing sources including, but not limited to, the Kentucky State Police, the Cabinet for Families and Children, the Cabinet for Health Services, the Department of Corrections, the Administrative Office of the Courts, the United States Department of Labor, the United States Department of Justice, employer and employee organizations, insurance companies, and any other sources that are readily available; and

(e) Reviewing and analyzing data and information on the frequency of workplace violence in Kentucky, possible causes of workplace violence, methods used to identify workplace hazards associated with violence, adequacy of the criminal and civil penalties and other remedies directed toward individuals who commit violent acts in the workplace, the availability of training for employers and employees, and the availability of services to treat employees and others who have been victims of or witnesses to acts of workplace violence.

(7) The council shall make recommendations to the Governor and the General Assembly concerning laws, administrative regulations, ordinances, policies, state programs, training, budgets, and treatments and services related to workplace violence and its aftermath.

(8) The council shall prepare a biennial report to issue to the Governor and the Legislative Research Commission no later than July 1 of each even-numbered year preceding the regular session of the General Assembly. In addition, the council may issue periodic reports on topics related to workplace violence in the Commonwealth.

(9) The council shall be attached to the Governor's office for administrative purposes. Members of the council shall serve without compensation, but shall receive reasonable and necessary expenses incurred in the performance of their duty.

SECTION 9. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

(1) If an employer or that employer's employee has been subject to an act of workplace violence as defined in Section 1 of this Act by any individual and the act of workplace violence has been carried out at the work site or can reasonably be construed to be carried out at the work site, the employer may seek a restraining order pursuant to Rule 65.03 of the Kentucky Rules of Civil Procedure prohibiting further acts of workplace violence at the work site on behalf of the employer or that employee. The work site shall include any place that work is being performed on behalf of the employer. The employer may seek a restraining order by petitioning the Circuit Court having jurisdiction in the county in which the work site where the alleged act occurred is located.

(2) A petition filed under subsection (1) of this section shall be verified and shall contain:

(a) The name, age, address, occupation, and residence of the petitioner;

(b) The name, age, address, occupation, and residence of the person or persons alleged to have engaged in acts of workplace violence;

(c) The facts and circumstances which constituted the alleged workplace violence;

(d) The nature and extent of any injuries sustained by the employer, the employer's employee, or fellow employees as a result of the act of workplace violence; and

(e) Any evidence indicating why the employer, the employer's employee, or the employer's operations may be immediately and irreparably harmed if a restraining order is not granted.

(3) The petition shall be filed on forms prescribed by the Administrative Office of the Courts and provided to the person seeking relief under this section by the circuit clerk or another individual authorized by the court to provide and verify petitions in emergency situations, such as law enforcement officers and county or Commonwealth's attorneys. All petitions requested, completed, and signed by a person seeking protection under this section shall be accepted and filed.

(4) Notwithstanding any provision of the law to the contrary, no filing fee or court costs shall be assessed against the petitioner in connection with filing a petition under the provisions of this section.

(5) Upon the filing of a petition, as provided for in subsections (1) to (3) of this section, the court after review of the petition and determining that workplace violence has occurred, without a jury, shall provide injunctive relief. If after review of the petition, the court determines that the allegations contained in the petition indicate the presence of an

immediate and present danger to the employer, the employer's employee or fellow employees or the employer's operations, the court shall issue a restraining order.

(6) (a) All courts shall provide twenty-four (24) hour access to petition for restraining orders; and

(b) Each court shall submit written procedures for twenty-four (24) hour accessibility to be reviewed and approved by the Kentucky Supreme Court.

(7) If a restraining order is not issued, the court shall note on the petition, for the record, any action taken or denied and the reason for it.

(8) A restraining order granted under this section shall become effective and binding on the respondent at the time of personal service or when the respondent is given notice of the existence and terms of the order by a peace officer or the court, whichever is earlier. After notice of the existence and terms of the order is given to the respondent, a peace officer or the court may enforce the terms of the order, and act immediately upon any violation of the order. After notice of the order, all reasonable efforts shall be made by the peace officer or the court to arrange for personal service of the order upon the respondent.

(9) All forms, affidavits, restraining orders, or orders amending existing orders or other orders issued under this section, or the laws of another jurisdiction which are entitled to full faith and credit in Kentucky under the provisions of 18 U.S.C. sec. 2265, which require entry into the Law Information Network of Kentucky shall be entered on forms prescribed by the Administrative Office of the Courts after consultation with the Justice Cabinet. If the provisions of the restraining order are contained in an order which is narrative in nature, the prescribed form shall be used in addition to the narrative order.

(10) A restraining order granted under this section shall remain in effect for a period not to exceed thirty (30) days unless modified or terminated by the court.

(11) Within ten (10) days of issuing a restraining order, the court shall hold a hearing. At the hearing, the court shall receive evidence from the adverse party denying or explaining the party's actions, or the party may file a cross-complaint. At the hearing, if the adverse party is a current employee of the employer, the court may receive evidence concerning the employer's decision to retain, terminate or otherwise discipline the adverse party. A restraining order shall be reissued for a period not to exceed thirty (30) days if service has not been made on the adverse party by the date of the hearing.

(12) The adverse party shall be personally served with a copy of the restraining order, a copy of the notice setting the full hearing, and a copy of the petition. Service may be made in the manner and by persons authorized to serve subpoenas under the provisions of Rule 45.03 of the Kentucky Rules of Civil Procedure. No service fee shall be assessed to the petitioner.

(13) Following the issuance of a restraining order under this section, if the judge who issued the order is absent from the circuit or district, otherwise unavailable, or unable to conduct proceedings regarding the enforcement, violation, or modification of the order within a reasonable time, the proceedings shall be conducted by any District or Circuit Judge.

(14) Upon granting a restraining order the court may, among other appropriate orders:

(a) Order the adverse party not to visit, assault, molest, or otherwise interfere with the employer, the employer's employee injured by the adverse party or other employees at the work site, or the employer's operations;

(b) Order the adverse party to reimburse the employer's employee injured by the adverse party for any reasonable medical expenses, including counseling costs;

(c) Order the adverse party to reimburse the employer for any damages to the employer's operations;

(d) Order the adverse party not to possess any weapon or device listed in KRS 527.010;

(e) Order the adverse party to limit intentional contact with the employee injured by the adverse party, to the extent practicable if both parties remain employed at the same work site;

(f) Order the adverse party to cease stalking or harassing the employer's employee at the work site;

(g) Order the adverse party not to telephone or transmit E-mail to the employer or the employer's employee at the work site; and

(h) Provide any other appropriate relief deemed necessary by the court.

(15) Unless specifically modified or terminated by the court, all orders granted under this section shall have statewide validity and may be enforced by the issuing court for any violation anywhere in the state and by any court of competent jurisdiction within the state for violations which may occur within that court's jurisdiction. All orders issued under this section shall contain language directing appropriate law enforcement agencies to enforce the court's orders.

(16) Provisions of this section shall not be applicable in circumstances where an employee or the employee's representative is engaged in union organizing, union activity, a labor dispute, or any activity or action arguably protected by the National Labor Relations Act.

(17) Unless lack of good faith is shown by clear and convincing evidence, an employer and an employer's agent who act in accord with this section shall be presumed to be acting in good faith.

(18) A person is guilty of a violation if the person intentionally violates any order issued under this section with which he

or she has been served or had been given notice.

(19) Violation of a restraining order under this section is a Class A misdemeanor.

Section 10. KRS 11.400 is amended to read as follows:

(1) In addition to the duties prescribed for the office by the Constitution of the Commonwealth of Kentucky, the duties of the Lieutenant Governor shall be as follows:

(a) To serve as vice chairman of the State Property and Buildings Commission as prescribed by KRS 56.450;

(b) To serve as vice chairman of the Kentucky Turnpike Authority as prescribed in KRS 175.430;

(c) To serve as a member of the Kentucky Council on Agriculture in accordance with KRS 247.417;

(d) To serve as vice chairman of the County Debt Commission as provided in KRS 66.300;

(e) To appoint one (1) member of the Public Officials' Compensation Commission as provided in KRS 64.742;

(f) To serve as a member of the Board of the Kentucky Housing Corporation in accordance with KRS 198A.030;

(g) To serve as a member of the Appalachian Development Council as provided in KRS 154.33-020; and

(h) To serve as a member of Kentucky delegations on the following interstate compact commissions or boards:

1. The Southern Growth Policies Board as prescribed by KRS 147.585;

2. The Breaks Interstate Park Commission as provided in KRS 148.225;

3. The Falls of the Ohio Interstate Park Commission pursuant to KRS 148.242;

4. The Tennessee-Tombigbee Waterway Development Authority pursuant to KRS 182.305;

5. The Interstate Water Sanitation Control Commissions as prescribed by KRS 224.18-710;~~[and]~~

6. The Kentucky Mining Advisory Council for the Interstate Mining Compact as provided by KRS 350.310***; and***

(i) To serve as co-chair of the Workplace Violence Oversight and Advisory Council.

(2) Nothing in this section shall prohibit the Governor and Lieutenant Governor from agreeing upon additional duties within the executive branch of the state government to be performed by the Lieutenant Governor.

Section 11. KRS 12.023 is amended to read as follows:

The following organizational units and administrative bodies shall be attached to the Office of the Governor:

(1) Council on Postsecondary Education;

(2) Department of Military Affairs;

(3) Department for Local Government;

(4) Kentucky Commission on Human Rights;

(5) Kentucky Commission on Women;

(6) Kentucky Commission on Military Affairs;

(7) Kentucky Coal Council;

(8) Governor's Office of Child Abuse and Domestic Violence Services;

(9) Governor's Office for Technology;

(10) Office of Coal Marketing and Export;

(11) Agricultural Development Board;

(12) Commission on Small Business Advocacy;

(13) Office of Early Childhood Development;

(14) Kentucky Agency for Substance Abuse Policy;~~[and]~~

(15) Education Professional Standards Board***; and***

(16) The Workplace Violence Oversight and Advisory Council.

The Committee Substitute to **HB 545** is as follows:

HB 545, AN ACT relating to workplace violence.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) For the purposes of this section "workplace violence" is defined as the attempted, threatened, or actual conduct of a person who endangers or is likely to endanger the health and safety of state employees or the general public, or a threatening statement, harassment, or behavior that gives a state employee or member of the general public reasonable

cause to believe that his or her health or safety is at risk. Examples of workplace violence include, but are not limited to, the following:

- *(a) Threatening to harm a state employee or member of the general public;*
- *(b) Brandishing or displaying a weapon or an object that looks like a weapon in a manner which would present a safety risk to a state employee or a member of the general public or threatens or intimidates that person;*
- *(c) Intimidating, threatening, or directing abusive language toward another person, either verbally, in writing, or by gesture;*
- *(d) Stalking;*
- *(e) Striking, slapping, or otherwise physically attacking another person; and*
- *(f) Disobeying or failing to follow the reasonable directive of a supervisor to take action to cease actions which create a risk to the health and safety of a state employee or member of the general public or threatens or intimidates that person.*

(2) Each employee as defined in KRS 18A.005(14), classified or otherwise, shall receive no less than three and one-half (3.5) hours training on the topic of workplace violence awareness and prevention. Training programs or components on workplace violence awareness and prevention may be provided by the Governmental Services Center or may be provided by state agencies, as defined in KRS 42.010, through their current staff development training programs.

(3) Training programs or components on workplace violence shall be approved by the Governmental Services Center. The Governmental Services Center shall work with the Labor Cabinet and other state agencies to develop training programs or training components that are current, consistent, and appropriate to the needs of the agency.

(4) Workplace violence awareness and prevention training shall include, but not be limited to, the following:

- *(a) Information on laws regarding workplace violence;*
- *(b) Location and availability of written policies and procedures on workplace violence;*
- *(c) Emergency procedures for responding to a violent incident; and*
- *(d) Persons responsible for implementing and monitoring an agency's workplace violence safety program.*

(5) State agencies shall complete the training of employees in workplace violence awareness and prevention no later than June 30, 2004, for persons employed on the effective date of this Act.

(6) An employee hired on or after July 1, 2003, shall receive workplace violence awareness and prevention training during his or her initial probation. In no case shall an employee receive workplace violence awareness and prevention training later than twelve (12) months from the date of the employee's most recent appointment. If, however, an employee has participated in state-sponsored training on workplace violence within three (3) months prior to a new appointment, he or she may be exempt from training requirements during his or her period of probation, but shall receive training related to workplace violence within twelve (12) months of the most recent appointment.

Section 2. KRS 18A.030 is amended to read as follows:

(1) The secretary shall be the executive and administrative head of the cabinet and shall supervise and control all examinations and work of the cabinet. He shall advise the board on matters pertaining to the classified service of this state. Within the limitations of the budget, the secretary shall appoint and supervise the staff needed in the cabinet to carry out the purposes of KRS 18A.005 to 18A.200 except employees of the board who shall be appointed as provided in KRS 18A.090.

(2) Subject to the provisions of this chapter and KRS Chapter 13A, the secretary shall, with the aid of his staff:

- (a) Attend all meetings of the board;
- (b) As provided by this chapter, promulgate comprehensive administrative regulations consistent with the provisions of KRS Chapters 13A and 18A, and with federal standards for the administration of a personnel system in the agencies of the state government receiving federal grants;
- (c) Establish general procedures for personnel recruitment, for certification, and for improving the efficiency of employed personnel;
- (d) Appoint the examiners and technicians necessary for the conduct of the personnel program, whether on a permanent or temporary basis;
- (e) Prepare and maintain a record of all employees, showing for each employee his name, address, title of position held, rate of compensation, changes in status, compensation, or title, transfer, and to make the data and the class specifications for all positions available to the press and public;
- (f) Prepare, in accordance with the provisions of KRS 18A.005 to 18A.200 and the administrative regulations adopted thereunder, examinations, eligible lists, and ratings of candidates for appointment;
- (g) Make certification for appointment or promotion within the classified service, in accordance with the provisions of KRS 18A.005 to 18A.200;
- (h) Make investigations concerning all matters touching the enforcement and effect of the provisions of KRS 18A.005 to 18A.200 and administrative regulations prescribed thereunder;

(i) Prepare, in cooperation with appointing authorities and others, programs for employee training, safety, morale, work motivation, health, counseling, and welfare, and exercise leadership in the development of effective personnel administration within the several departments of the Commonwealth, and make available the facilities of the department to this end;

(j) Provide personnel services to unclassified employees in agreement with the agencies involved not otherwise provided for in KRS 18A.005 to 18A.200;

(k) Present, in accordance with the provisions of KRS Chapter 48, budget requests for the support of the personnel system created by KRS 18A.005 to 18A.200, excluding the board, which shall present its own budget estimates;

(l) Make a report and submit the same to the board, the Legislative Research Commission, and the Governor not later than October first of each year; and

(m) Discharge the other duties imposed upon him by KRS 18A.005 to 18A.200.

(3) The secretary on behalf of the cabinet may join or subscribe to any association or service having as its purpose the interchange of information relating to the improvement of the public service and especially improvement of personnel administration.

(4) The secretary shall keep records relative to employee turnover and report to the board, the Governor, and the Legislative Research Commission quarterly. The report shall reflect employee turnover rates by cabinet, department, bureau, division, and section. If any cabinet, department, bureau, division, or section has a turnover rate of fifteen percent (15%) or more in any twelve (12) month period, the secretary shall conduct an investigation into the reasons for the turnover and report the findings to the board, the Governor, and the Legislative Research Commission.

(5) The secretary shall provide to each new state employee and to each existing state employee, classified or otherwise, on an annual basis an informational pamphlet about human immunodeficiency virus infection and acquired immunodeficiency syndrome. The pamphlet shall be approved by the Cabinet for Health Services and shall contain information about the nature and extent of these diseases, methods of transmission, preventive measures, and referral services.

(6) The secretary shall provide to each state employee, as defined in KRS 18A.005(14), classified or otherwise, on an annual basis information on violence in the workplace. The information shall include, but not be limited to, the workplace violence policy of the Commonwealth, nature and scope of workplace violence in Kentucky, general information on policies and procedures designed to reduce the risk of violence in the workplace, particularly emergency communication measures, and a listing of resources to assist employees who have been affected by occurrences of violence in the workplace.

SECTION 3. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

(1) State agencies as defined in KRS 42.010 shall develop, implement, and monitor a program designed to reduce and eliminate the risks of workplace violence. Workplace violence safety programs may include, but not be limited to, the following:

(a) Policy statement on workplace violence;

(b) Personnel responsible for implementing and monitoring the effectiveness of the program;

(c) Procedures for identifying and assessing risk that may lead to violence;

(d) Procedures for responding to occurrences of workplace violence;

(e) Procedures for correcting hazards or potential hazards associated with workplace violence;

(f) Procedures for referring employees to appropriate resources and services for treatment or counseling following exposure to an incidence of workplace violence;

(g) Procedures for communicating with employees about workplace safety issues;

(h) Procedures for documenting occurrences of workplace violence, corrective actions taken, follow-up activities, and methods for ensuring compliance with agency policy;

(i) Timetables and methods for providing training on workplace violence for employees, supervisors, and managers; and

(j) Other components set forth in the Occupational Safety and Health Administration's guidelines for workplace violence.

(2) State agencies shall develop and begin implementing a workplace violence safety program no later than January 1, 2003.

(3) The Labor Cabinet shall upon written request from the agency provide the state agency with information or other technical assistance, as needed, to develop an effective safety program on workplace violence.

SECTION 4. A NEW SECTION OF KRS CHAPTER 338 IS CREATED TO READ AS FOLLOWS:

(1) The Labor Cabinet shall recommend that employers, as defined in KRS 338.015, develop, implement, and monitor a safety program designed to reduce the risk of workplace violence. Employer safety programs on workplace violence may include, but shall not be limited to, the following:

(a) Employer's policy statement on workplace violence;

(b) Personnel responsible for implementing and monitoring the effectiveness of the program;

(c) Procedures for identifying and assessing risks that may lead to violence;

(d) Procedures for responding to occurrences of workplace violence;

(e) Procedures for correcting hazards or potential hazards associated with workplace violence;

(f) Procedures for referring employees to appropriate resources and services for treatment or counseling following exposure to an incidence of workplace violence;

(g) Procedures for communicating with employees about workplace safety issues;

(h) Procedures for documenting occurrences of workplace violence, corrective actions taken, follow-up activities, and methods for ensuring compliance with the employer's policy;

(i) Timetables and methods for providing training on workplace violence for employees, supervisors, and managers; and

(j) Other components set forth in the Occupational Safety and Health Administration's guidelines for workplace violence.

(2) The Labor Cabinet, upon the written request of the employer, shall provide the employer with information, training, or other technical assistance, as needed, to develop an effective safety program on workplace violence.

Section 5. KRS 338.041 is amended to read as follows:

(1) There is hereby created in the Department of Workplace Standards a Program for Occupational Safety and Health. This program shall consist of a Division of Occupational Safety and Health Compliance and a Division of Education and Training for Occupational Safety and Health. This program shall administer all matters pertaining to occupational safety and occupational health and shall be under the supervision of an occupational safety and health coordinator. The secretary of the Labor Cabinet shall appoint the occupational safety and health coordinator.

(2) The Department of Workplace Standards may require the assistance of other state agencies and may enter into agreements with other state agencies and political subdivisions of the Commonwealth for the administration of this chapter.

(3) The Department of Workplace Standards may enter into an agreement with the Cabinet for Health Services and other appropriate departments or agencies to conduct research, experiments, and demonstrations relating to occupational safety and health *inclusive of workplace violence*, including studies of psychological factors involved, and relating to innovative methods, techniques, and approaches for dealing with occupational safety and health problems in the administration of this chapter.

SECTION 6. A NEW SECTION OF SUBTITLE 20 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Companies selling casualty insurance, as defined in KRS 304.5-070, may give an employer a discount when the employer has implemented an effective workplace violence awareness and prevention program. Workplace violence safety programs may include, but shall not be limited to, the following:

(a) A policy statement on workplace violence;

(b) Personnel responsible for implementing and monitoring the effectiveness of the program;

(c) Procedures for identifying and assessing risk that may lead to violence;

(d) Procedures for responding to occurrences of workplace violence;

(e) Procedures for correcting hazards or potential hazards associated with workplace violence;

(f) Procedures for referring employees to appropriate resources and services for treatment or counseling following exposure to an incidence of workplace violence;

(g) Procedures for communicating with employees about workplace safety issues;

(h) Procedures for documenting occurrences of workplace violence, corrective actions taken, follow-up activities, and methods for ensuring compliance with the employer's policy;

(i) Timetables and methods for providing training on workplace violence for employees, supervisors, and managers; and

(j) Other components set forth in the Occupational Safety and Health Administration's guidelines for workplace violence.

(2) Provisions of this section shall apply to all casualty insurance policies issued on or renewed after July 1, 2003.

SECTION 7. A NEW SECTION OF KRS 15.315 TO 15.510 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Law Enforcement Council shall develop, in conjunction with the Labor Cabinet and the Governmental Services Center, an educational program on workplace violence of no less than three (3) hours to be offered by the Department of Criminal Justice Training to all law enforcement officers. The educational program shall be part of the basic law enforcement training as defined in KRS 15.310.

(2) Information on workplace violence shall be part of any continuing education program or in-service training program

offered by the Department of Criminal Justice Training.

SECTION 8. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

(1) The Workplace Violence Oversight and Advisory Council is created and established for the purpose of monitoring the implementation of policies, practices, and initiatives related to workplace violence in the Commonwealth. The council, in collaboration with public and private employers, shall strive to increase the awareness of all Kentuckians regarding the prevalence and impact of workplace violence on the social and economic welfare of the Commonwealth.

(2) Members of the council shall include:

- *(a) A representative of the Senate, appointed by the President of the Senate;*
- *(b) A representative of the House of Representatives, appointed by the Speaker of the House of Representatives;*
- *(c) The Lieutenant Governor;*
- *(d) The secretary of the Labor Cabinet, or the secretary's designee;*
- *(e) The secretary of the Workforce Development Cabinet, or the secretary's designee;*
- *(f) The secretary of the Cabinet for Families and Children, or the secretary's designee;*
- *(g) The President of the Kentucky AFL-CIO, or the president's designee;*
- *(h) A member of the Kentucky Center for School Safety;*
- *(i) The following members, appointed by the Governor. To be eligible for appointment under this paragraph, a person shall have an understanding of, and demonstrated commitment to, addressing crimes and other issues related to violence in the workplace:*
  - *1. A representative of the judiciary, recommended to the Governor by the Chief Justice of the Kentucky Supreme Court;*
  - *2. A representative of law enforcement;*
  - *3. A health care provider;*
  - *4. A mental health professional; and*
  - *5. A representative of the business community.*

(3) Appointed council members shall serve at the pleasure of the appointing authority but shall not serve longer than four (4) years without reappointment.

(4) The council shall meet at least four (4) times annually, or upon call of the co-chairs. The council shall have two (2) co-chairs, one (1) of whom shall be the Lieutenant Governor and one (1) of whom shall be a member of the General Assembly appointed by the Legislative Research Commission.

(5) The council shall establish any committees necessary to carry out its duties.

(6) The duties and responsibilities of the council shall include, but not be limited to, the following:

- *(a) Promoting coordination among agencies and officials responsible for addressing issues of workplace violence;*
- *(b) Determining the availability of services for victims, witnesses, offenders, and others affected by an act of violence in the workplace;*
- *(c) Promoting community awareness and the prevention of workplace violence;*
- *(d) Reviewing and analyzing data and information relating to workplace violence from existing sources including, but not limited to, the Kentucky State Police, the Cabinet for Families and Children, the Cabinet for Health Services, the Department of Corrections, the Administrative Office of the Courts, the United States Department of Labor, the United States Department of Justice, employer and employee organizations, insurance companies, and any other sources that are readily available; and*
- *(e) Reviewing and analyzing data and information on the frequency of workplace violence in Kentucky, possible causes of workplace violence, methods used to identify workplace hazards associated with violence, adequacy of the criminal and civil penalties and other remedies directed toward individuals who commit violent acts in the workplace, the availability of training for employers and employees, and the availability of services to treat employees and others who have been victims of or witnesses to acts of workplace violence.*

(7) The council shall make recommendations to the Governor and the General Assembly concerning laws, administrative regulations, ordinances, policies, state programs, training, budgets, and treatments and services related to workplace violence and its aftermath.

(8) The council shall prepare a biennial report to issue to the Governor and the Legislative Research Commission no later than July 1 of each even-numbered year preceding the regular session of the General Assembly. In addition, the council may issue periodic reports on topics related to workplace violence in the Commonwealth.

(9) The council shall be attached to the Governor's office for administrative purposes. Members of the council shall serve without compensation, but shall receive reasonable and necessary expenses incurred in the performance of their duty.

Section 9. KRS 11.400 is amended to read as follows:

(1) In addition to the duties prescribed for the office by the Constitution of the Commonwealth of Kentucky, the duties of the Lieutenant Governor shall be as follows:

(a) To serve as vice chairman of the State Property and Buildings Commission as prescribed by KRS 56.450;
(b) To serve as vice chairman of the Kentucky Turnpike Authority as prescribed in KRS 175.430;
(c) To serve as a member of the Kentucky Council on Agriculture in accordance with KRS 247.417;
(d) To serve as vice chairman of the County Debt Commission as provided in KRS 66.300;
(e) To appoint one (1) member of the Public Officials' Compensation Commission as provided in KRS 64.742;
(f) To serve as a member of the Board of the Kentucky Housing Corporation in accordance with KRS 198A.030;
(g) To serve as a member of the Appalachian Development Council as provided in KRS 154.33-020; and
(h) To serve as a member of Kentucky delegations on the following interstate compact commissions or boards:
1. The Southern Growth Policies Board as prescribed by KRS 147.585;
2. The Breaks Interstate Park Commission as provided in KRS 148.225;
3. The Falls of the Ohio Interstate Park Commission pursuant to KRS 148.242;
4. The Tennessee-Tombigbee Waterway Development Authority pursuant to KRS 182.305;
5. The Interstate Water Sanitation Control Commissions as prescribed by KRS 224.18-710;[~~ and~~]
6. The Kentucky Mining Advisory Council for the Interstate Mining Compact as provided by KRS 350.310***; and***

(i) To serve as co-chair of the Workplace Violence Oversight and Advisory Council.

(2) Nothing in this section shall prohibit the Governor and Lieutenant Governor from agreeing upon additional duties within the executive branch of the state government to be performed by the Lieutenant Governor.

Section 10. KRS 12.023 is amended to read as follows:

The following organizational units and administrative bodies shall be attached to the Office of the Governor:

(1) Council on Postsecondary Education;
(2) Department of Military Affairs;
(3) Department for Local Government;
(4) Kentucky Commission on Human Rights;
(5) Kentucky Commission on Women;
(6) Kentucky Commission on Military Affairs;
(7) Kentucky Coal Council;
(8) Governor's Office of Child Abuse and Domestic Violence Services;
(9) Governor's Office for Technology;
(10) Office of Coal Marketing and Export;
(11) Agricultural Development Board;
(12) Commission on Small Business Advocacy;
(13) Office of Early Childhood Development;
(14) Kentucky Agency for Substance Abuse Policy;[~~ and~~]
(15) Education Professional Standards Board***; and***
(16) The Workplace Violence Oversight and Advisory Council.

HB 574, AN ACT relating to the use of a divided referendum for determining Social Security coverage.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.435 is amended to read as follows:

(1) In order for any service performed by an employee in a position covered by a retirement system to be included in an agreement as permitted by KRS 61.430, a ***referendum pursuant to Section 218(d)(3) or Section 218(d)(7) of the Social Security Act shall be held***[~~majority of the members of the retirement system must vote in the affirmative~~] on the question of whether the service covered by the retirement system should be included in the agreement. The procedure for obtaining the vote of the members of the retirement systems shall be as follows:

(a) Upon request of the political subdivision concerned, the Governor shall authorize a referendum within the retirement system concerned and designate an agency or individual to supervise the manner of conducting it;

(b) Any referendum shall be conducted in accordance with the requirements of Section 218 (d) (3) ***or Section 218(d)(7)*** of the Social Security Act;

(c) ***In the case of a referendum authorized under Section 218 (d)(6) of the Social Security Act, the retirement system will be divided into two (2) parts or divisions. One (1) part or division of the retirement system shall be composed of positions of those members of the system who desire coverage under the agreement as permitted by KRS 61.430. The remaining part or division of the retirement system shall be composed of positions of those members who do not desire coverage under such an agreement. Each part or division shall be deemed to be a separate retirement system for the purposes of Section 218 (d) of the Social Security Act. The positions of individuals who become members of the system after such coverage is extended shall be included in the part or division of the system composed of members desiring the coverage, with the exception of positions that are excluded in the agreement***[~~The votes shall be cast in secret on written ballots;~~

~~(d) An opportunity to vote shall be given only to those employees who occupied positions covered by the retirement system, and were members of the system, on the date upon which the notice of referendum was given and on the date upon which the referendum was held; and~~

~~(e) Notice that the referendum is to be conducted shall be given to every member of the retirement system at least ninety (90) days before the date the referendum is held~~].

(2) Upon receiving satisfactory evidence that the conditions specified in this section and Section 218 (d) (3) ***or Section 218(d)(7)*** of the Social Security Act have been fulfilled, the Governor or any agency or individual designated by ***the Governor***[~~him~~] shall so certify to the commissioner.

(3) For purposes of this section, in any case where a retirement system covers the employees of two (2) or more political subdivisions, or of the Commonwealth and one or more political subdivisions, there are deemed to exist separate retirement systems with respect to the Commonwealth or each political subdivision. Also for purposes of this section, where a retirement system covers the employees of one or more of the state universities or of one or more of the public junior colleges or of any combination of state universities there shall be deemed to exist separate retirement systems with respect to each state university and each public junior college.

HB 589, AN ACT relating to state employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.005 is amended to read as follows:

As used in this chapter, unless the context indicates otherwise:

(1) "Appointing authority" means the agency head or any person whom he has authorized by law to designate to act on behalf of the agency with respect to employee appointments, position establishments, payroll documents, register requests, waiver requests, requests for certification, or other position actions. Such designation shall be in writing and signed by both the agency head and his designee. Prior to the exercise of appointing authority, such designation shall be filed with the secretary;

(2) "Base salary or wages" means the compensation to which an employee is entitled under the salary schedules adopted pursuant to the provisions of KRS 18A.030 and 18A.110. Base salary or wages shall be adjusted as provided under the provisions of KRS 18A.355 and 48.130;

(3) "Board" means the Personnel Board created by KRS 18A.045;

(4) "Career employee" shall mean a state employee with sixteen (16) or more years of permanent full-time state service, or the part-time employment equivalent of at least sixteen (16) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof;

(5) "Certification" means the referral of the name of one (1) or more qualified prospective employees by the secretary on request of an appointing officer for consideration in filling a position in the classified service;

(6) "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be applied to each position in the group;

(7) "Classified employee" means an employee appointed to a position in the classified service whose appointment and continued employment are subject to the classified service provisions of this chapter;

(8) "Classified position" means a position in the executive branch of state government that is not exempt from the classified service under KRS Chapter 16, KRS 18A.115, KRS Chapter 151B, or any other provision of law;

(9) "Classified service" includes all the employment subject to the terms of this chapter except for those positions expressly cited in KRS 18A.115; a "classified position" is a position in the classified service;

(10) "Secretary" means the secretary of the Personnel Cabinet as provided for in KRS 18A.015;

(11) "Demotion" means a change in the rank of an employee from a position in one (1) class to a position in another class having a lower minimum salary range or less discretion or responsibility;

(12) "Cabinet" means the Personnel Cabinet provided for in KRS 18A.015, unless the context indicates otherwise;

(13) "Eligible" refers to a person who has made a passing score on any examination required under KRS 18A.010 to 18A.200 and who has qualified to be placed on a register;

(14) "Employee" means a person regularly appointed to a position in the state service for which he is compensated on a full-time, part-time, or interim basis;

(15) "Full-time employee" means an employee in a full-time position;

(16) "Full-time position" means a position, other than an interim position, requiring an employee to work at least thirty-seven and one-half (37.5) hours in a work week, except for the following:

(a) Positions in the state parks, where the work assigned is dependent upon fluctuations in tourism, may be assigned work hours from twenty-five (25) hours per week during the off seasons and remain in full-time positions; and

(b) Positions in health care facilities, which regularly involve three (3) consecutive days of twelve (12) hour shifts to cover weekends, shall be considered full-time;

(17) "Initial probation" means the period of service following initial appointment to any position under KRS 18A.010 to 18A.200 which requires special observation and evaluation of an employee's work and which must be passed successfully before status may be conferred as provided in KRS 18A.110 and by the provisions of this chapter. If the appointee is granted leave in excess of twenty (20) consecutive work days during this period, his initial probation shall be extended for the same length of time as the granted leave to cover such absence~~[. "Initial probation" does not include a probationary period served by a laid-off employee who accepts a bona fide written offer of appointment]~~;

(18) "Interim employee" means an unclassified employee without status who has been appointed to an interim position that shall be less than nine (9) months duration;

(19) "Interim position" means a position established to address a one time or recurring need of less than nine (9) months duration and exempt from the classified service under KRS 18A.115;

(20) "Part-time employee" means an employee in a part-time position;

(21) "Part-time position" means a position, other than an interim position, requiring an employee to work less than one hundred (100) hours per month;

(22) "Penalization" shall include, but not be limited to, demotion, dismissal, suspension, fines and other disciplinary actions, involuntary transfers; salary adjustments; any action that diminishes the level, rank, discretion, or responsibility of an employee without proper cause, including a reclassification or reallocation; and the abridgement or denial of other rights granted to state employees;

(23) "Position" means an office or employment in an agency (whether part-time, full-time, or interim, occupied, or vacant) involving duties requiring the services of one (1) person;

(24) "Promotion" means a change of rank of an employee from a position in one (1) class to a position in another class having a higher minimum salary or carrying a greater scope of discretion or responsibility;

(25) "Promotional probation" means the period of service, consistent with the length of the initial probationary period, following the promotion of an employee with status which must be successfully completed in order for the employee to retain the position to which he has been promoted. If the employee is granted leave in excess of twenty (20) consecutive work days during this period, his promotional probation shall be extended for the same length of time as the granted leave to cover such absence;

(26) "Reallocation" means the correction of the classification of an existing position by placement of the position into the classification that is appropriate for the duties the employee has been and shall continue to perform;

(27) "Reclassification" shall mean the change in the classification of an employee when a material and permanent change in the duties or responsibilities of that employee occurs;

(28) "Reemployment" shall mean the rehiring of an employee with status who has been laid off;

(29) "Reemployment register" means the separate list of names of persons who have been separated from state service by reason of layoff. Reemployment registers shall be used as provided by the provisions of KRS 18A.110, 18A.130, and 18A.135;

(30) "Register" means any official list of eligibles for a particular class and, except as provided in this chapter, placed in rank order according to the examination scores maintained for use in making original appointments or promotions to positions in the classified service;

(31) "Reinstatement" shall mean the restoration of an employee who has resigned in good standing, or who has been ordered reinstated by the board or a court to a position in his former class, or to a position of like status and pay;

(32) "Reversion" means either the returning of a status employee to his or her last position held in the classified service, if vacant, or the returning of a status employee to a vacant position in the same or similar job classification as his or her last position held in the classified service. Reversion occurs after a career employee is terminated other than for cause from the unclassified service or after a status employee fails to successfully complete promotional probation. Reversion after unsuccessful completion of promotional probation, or in the case of a career employee after termination from the unclassified service, may only be appealed to the Personnel Board under KRS 18A.095(13);

(33) "Seniority" means the total number of months of state service;

(34) "Status" means the acquisition of tenure with all rights and privileges granted by the provisions of this chapter after satisfactory completion of the initial probationary period by an employee in the classified service;

(35) "Transfer" means a movement of any employee from one (1) position to another of the same grade having the same salary ranges, the same level of responsibility within the classified service, and the same salary received immediately prior to transfer.

Section 2. KRS 18A.025 is amended to read as follows:

(1) The Governor shall appoint the secretary of personnel as provided in KRS 18A.015, who shall be considered an employee of the state. He shall be a graduate of an accredited college or university and have at least five (5) years' experience in personnel administration or in related fields, have known sympathies with the merit principle in government and shall be dedicated to the preservation of this principle. Additional education may be substituted for the required experience and additional experience may be substituted for the required education.

(2) The secretary of the Personnel Cabinet or his designee, shall be responsible for the coordination of the state's affirmative action plan, established by KRS 18A.138.

(3) There is established within the Personnel Cabinet the following offices and departments, each of which shall be headed by a commissioner appointed by the secretary, subject to the prior approval of the Governor, pursuant to KRS 12.050, except that the Kentucky Employees Deferred Compensation Authority shall be headed by an executive director who shall be appointed by the authority's board of directors:

(a) Office of the Secretary, composed of the:

1. Office of Administrative and Legal Services, which shall:

a. Provide all administrative information systems management[~~, and legal services~~] to the Cabinet;[~~ and~~]

b. ***Provide legal services to the cabinet and to executive branch agencies and their representatives, upon request; and***

c. Coordinate the state's affirmative action plan established in KRS 18A.138; and

2. Kentucky Public Employees Deferred Compensation Authority which shall be attached to the Office of the secretary for administrative purposes only. The authority shall be governed by a board of trustees composed of seven (7) members including the secretary of Finance and Administration, ex officio; the secretary of Personnel, ex officio; the state controller, ex officio; and four (4) at large members appointed by the Governor, one (1) of whom shall have at least five (5) years of investment or banking experience and one (1) of whom shall represent a nonstate employer. The authority shall be headed by an executive director who shall be appointed by the board of directors of the authority without the limitations imposed by KRS 12.040 and KRS Chapter 18A;

(b) Department for Personnel Administration, composed of the:

1. Division of Performance Management, which shall coordinate and implement the employee performance evaluation systems throughout state government;

2. Division of Employee Records, which shall:

a. Maintain the central personnel files mandated by KRS 18A.020;

b. Process personnel documents and position actions;

c. Operate and maintain a uniform payroll system;

d. Implement lay-off plans mandated by KRS 18A.113 to KRS 18A.1132;

e. Certify payrolls as required by KRS 18A.125; and

f. Monitor and assist state agencies in complying with the provisions of the Federal Fair Labor Standards Act (FLSA);

3. Division of Staffing Services, which shall:

a. Operate a centralized applicant and employee counseling program;

b. Operate the examination program for State employment;

c. Prepare registers of candidate employment;

d. Coordinate outreach programs, such as recruitment and the Administrative Intern Program; and

e. Construct merit examinations; and

4. Division of Classification and Compensation, which shall:

a. Maintain plans of classification and compensation for the State Service; and

b. Review and evaluate the plans;

(c) Department for Employee Relations, composed of the:

1. Division of Employee Benefits, which shall be responsible for administering and assisting state employees with the following benefits and programs:

a. Workers' Compensation (KRS 18A.375);

b. Life Insurance (KRS 18A.205 to KRS 18A.220);

c. Sick leave Sharing Program (KRS 18A.197);

d. Annual Leave Sharing Program;

e. Health and Safety Programs (OSHA); and

f. Assessment and referral services provided to state employees;

2. Division of Communications and Recognition, which shall:

a. Communicate with state employees about personnel issues and other relevant issues through publications;

b. Administer the employee incentive programs established by KRS 18A.202; and

c. Provide dispute resolution assistance to state employees and agencies; and

(d) Office of Public Employee Health Insurance, which shall be composed of the:

1. Health Insurance Program (KRS 18A.225); and

2. Flexible Benefit Plan (KRS 18A.227).

(4) The cabinet shall include principal assistants appointed by the secretary, pursuant to KRS 12.050, as necessary for the development and implementation of policy. The secretary may employ, pursuant to the provisions of this chapter, personnel necessary to execute the functions and duties of the department.

Section 3. KRS 18A.111 is amended to read as follows:

(1) Except when appointed to a job classification with an initial probationary period in excess of six (6) months, and except as provided in KRS 18A.005, an employee shall serve a six (6) months probationary period when he is initially appointed to the classified service. An employee may be separated from his position, reduced in class or rank, or replaced on the eligible list during this initial probationary period and shall not have a right to appeal, except as provided by KRS 18A.095.[~~ If the employee is separated from his position, he shall be notified in writing at least ten (10) working days prior to separation. A copy of the notification shall be forwarded to the secretary.~~] The employee ***may***[~~shall~~] be placed on an eligible list but shall not be certified to the agency from which he was separated unless that agency so requests. Unless the appointing authority notifies the employee prior to the end of the initial probationary period that he is separated, the employee shall be deemed to have served satisfactorily and shall acquire status in the classified service.

(2) An employee who satisfactorily completes the initial probationary period for the position to which he was initially appointed to the classified service shall be granted status and may not be demoted, disciplined, dismissed, or otherwise penalized, except as provided by the provisions of this chapter.

(3) An employee ordered reinstated by the board shall not be required to serve a probationary period unless the board rules otherwise[~~, as provided in KRS 18A.095~~].

(4) An employee with status, who has been promoted, shall serve a promotional probationary period of six (6) months, except for those employees granted leave in excess of twenty (20) consecutive work days during this period. Such probationary periods shall be extended as prescribed in KRS 18A.005. During this period, he shall retain the rights and privileges granted by the provisions of this chapter to status employees.

(5) An employee with status may request that he be reverted to a position in his former class at any time during the promotional probationary period.

(6) A laid-off employee who accepts a bona fide written offer of appointment to a position shall not be required to serve an initial probationary period.[~~ Such an employee shall serve a promotional probationary period.~~] He shall be an employee with status and shall have all rights and privileges granted employees with status under the provisions of this chapter.

HB 590, AN ACT relating to the Kentucky Judicial Form Retirement System.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Judicial Retirement Plan excess benefit plan established in Section 2 of this Act shall be administered by the board of trustees of the Kentucky Judicial Form Retirement System. The board shall have the same authority in its administration as it has in the administration of the Kentucky Judicial Retirement Plan.

(2) The plan shall constitute a qualified governmental excess benefit plan as provided in 26 U.S.C. sec. 415(m).

(3) All retired members and beneficiaries of the Kentucky Judicial Retirement Plan whose effective retirement dates are July 1, 1998, or after, and whose retirement allowances have been limited by 26 U.S.C. sec. 415 shall be participants in

the plan. Each member's participation in the plan shall be determined each fiscal year and shall cease for any year in which the retirement allowance is not limited by 26 U.S.C. sec. 415.

(4) A participant shall receive a benefit equal to the difference between the retirement allowance otherwise payable from the plan prior to any reduction or limitation required by 26 U.S.C. sec. 415 and the actual retirement allowance payable as limited by 26 U.S.C. sec. 415. The benefit shall be subject to withholding for applicable state and federal taxes. The benefit shall be paid in accordance with the retirement payment option selected by the member for the retirement allowance.

(5) (a) The board, in accordance with the recommendation of the actuary, shall determine the required contribution to pay benefits each fiscal year. The required contribution for each fiscal year shall be the total amount of benefits payable under this section to all participants plus the amount required to pay any employment taxes on the benefits paid from the plan.

(b) The required contribution shall be paid from state appropriations.

(c) The required contribution shall be deposited into the separate fund. The plan is intended to be exempt from federal income tax under 26 U.S.C. sec. 115 and 26 U.S.C. sec. 415 (m)(1).

(d) The benefit liability shall be determined on a fiscal year basis, and contributions shall not be accumulated to pay benefits in future fiscal years. Any assets not used to pay benefits in the current fiscal year shall be paid to the Retirement Plan.

(6) The benefits payable from the plan shall be treated in accordance with KRS 21.470.

SECTION 2. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

(1) There is created and established:

(a) An excess benefit plan to be known as the Kentucky Judicial Retirement Plan excess benefit plan. The plan is created for the purpose of providing retirement allowances payable from the retirement plan under KRS 21.345 to 21.580 that would otherwise be limited by 26 U.S.C. sec. 415; and

(b) A state fund to be known as the Kentucky Judicial Retirement Plan excess benefit fund which shall consist of all the assets of the plan.

(2) The administration and assets of the plan created under this section shall be as set forth in Section 1 of this Act.

Section 3. KRS 21.370 is amended to read as follows:

(1) Except as provided in subsection (2) of KRS 21.410 and in subsection (2) of KRS 21.420, no benefits shall be payable under KRS 21.350 to 21.480 to any member or to his surviving spouse, unless he has completed at least eight (8) years of service, including service before becoming a member. No surviving spouse of a retired member shall be entitled to any benefits unless the person was the spouse of the member at the time he retired.

(2) A member who has qualified for benefits under this section may transfer to the Judicial Retirement Plan up to ten (10) years of service credit which he has earned in a retirement system administered by Kentucky Retirement Systems, and he may transfer to the Judicial Retirement Plan up to ten (10) years of service credit which he has earned in the Kentucky Legislators' Retirement Plan. If the member elects to transfer his service credit, the system or plan from which the transfer is made shall transfer to the judicial retirement fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to the date of transfer at the actuarially assumed interest rate of the system or plan from which the transfer is made in effect at the time the contributions were made, compounded annually at that same interest rate. The member shall be entitled to the transferred service credit, at the rate at which he qualifies under KRS 21.400, when he pays the total difference between the amount of the funds transferred and the cost of the credit to the Judicial Retirement Plan, as determined by the actuary for the Judicial Retirement Plan. The member may pay by transfer, if authorized under subsection (5)(d) of this section, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

(3) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for a maximum of four (4) years for his period of service as a city police judge for a city within the Commonwealth of Kentucky, if the service was performed prior to the first Monday in January, 1978, and if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records of the city for which the service was performed. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

(4) (a) 1. Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, or his beneficiary acting in his place if the member dies prior to retirement, shall receive service credit for a maximum of four (4) years for his period of service in the

Armed Forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service by any other retirement system administered by the Commonwealth of Kentucky, by paying the retirement system thirty-five percent (35%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan.

2. Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan may purchase and receive service credit for one (1) month of service for each six (6) months of service in the reserves or the National Guard by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question as provided in KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The service in the military reserves or the National Guard shall be treated as service earned prior to participation in the plan. The purchase can be made by the member in a transfer, if authorized under subsection (5)(d) of this section, or by a lump-sum payment or installment payments. The payment shall not be picked up by the employer as provided in KRS 21.360(6).

(b) The beneficiary may purchase military service credit only at one (1) time by lump-sum payment for the amount of service he wishes to purchase, and the payment shall be made within thirty (30) days of the death of the active member. The member may purchase all of his military service credit at one (1) time, or in increments of no less than one (1) year, unless there is a fraction remaining after all full years have been paid for. Payment of the total or the increment may be made by lump sum or by monthly installments through payroll deduction. If the member chooses to pay by installment, the cost of the service credit shall be computed in the same manner as for a lump-sum payment, which shall be the principal. Interest, at the annual actuarial rate in effect at the time each payment is made, shall be added to each monthly payment at the rate of one-twelfth (1/12) of the annual interest rate applied to the declining principal amount. Installment purchases shall be for no less than twelve (12) nor more than sixty (60) months. If the member leaves office before completing his installment payments, he may satisfy his contract by a lump-sum payment of the remaining principal amount, but no further installment payments shall be accepted thereafter. In this case, the member shall be credited with the military service credit for which he has paid, in years or months but no fraction less than a full month, and any payment remaining after credit for full months has been awarded shall be returned to the member.

(c) The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

(d) No veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for a military pension in the future, unless the military pension is for service primarily on inactive duty in a reserve component of the Armed Forces, or is a disability pension which does not exceed five hundred dollars ($500) monthly.

(5) (a) ~~[Any provision of law to the contrary notwithstanding, paragraphs (a), (b), (c), and (d) of this subsection shall apply only to applicable officials who are in office on June 21, 2001, and who are in active contributing status to the applicable retirement plan on June 21, 2001.~~

~~(a)~~]Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for a maximum of four (4) years each for his period of service as a Domestic Relations Commissioner, a Master Commissioner, or a District Court Trial Commissioner of the Commonwealth of Kentucky, or a combination thereof, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

(b) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for his period of service to the United States Government, other than service in the Armed Forces, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

(c) Any member of the Judicial Retirement Plan, who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years retirement service credit that is not otherwise purchasable, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

(d) A member of the Judicial Retirement Plan may purchase service credit under the provisions of this section by transferring funds ***through a direct trustee-to-trustee transfer permitted under the applicable sections of the Internal Revenue Code and any regulations or rulings issued thereunder, or through a direct rollover as contemplated by and permitted*** under[~~ the rules in~~] 26 U.S.C. sec. 401(a)(31)[~~ directly from a retirement plan or a deferred compensation arrangement maintained by his employer that is a qualified plan under 26 U.S.C. sec. 401(a)~~]. Service credit may also be purchased by a rollover of funds ***pursuant to and permitted***[~~ from a qualified retirement plan~~] under the rules specified in 26 U.S.C. sec. 402(c) ***and 26 U.S.C. sec. 408(d)(3)***. The Judicial Retirement Fund shall accept the transfer or rollover to the extent permitted under the rules specified in ***the applicable provisions of the Internal Revenue Code and any regulations and rulings issued thereunder***[~~26 U.S.C. secs. 402(c) and 401(a)(31)~~]. The amount shall be credited to the individual member's contribution account and shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

Section 4. KRS 6.515 is amended to read as follows:

(1) Service credit in the Legislators' Retirement Plan shall be acquired only by service as a legislator after July 1, 1980, while a member of the plan, by transfer of credit as provided in KRS 6.505, or by purchase or transfer of credit as provided in this section.

(2) (a) 1. Any active member of the Legislators' Retirement Plan who has at least five (5) years of service credit in the Legislators' Retirement Plan, or his beneficiary acting in his place if the member dies prior to retirement, shall receive service credit for a maximum of four (4) years for his period of service in the Armed Forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service by any other retirement system administered by the Commonwealth of Kentucky, by paying the retirement system thirty-five percent (35%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the legislator in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators' Retirement Plan, to other service credit earned in the plan.

2. Any active member of the Legislators' Retirement Plan who has at least five (5) years of service credit in the Legislators' Retirement Plan may purchase and receive service credit for one (1) month of service for each six (6) months of service in the reserves or the National Guard by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on the assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the legislator in question under KRS 6.520. Service credit awarded as provided in this subsection shall be equivalent, for all purposes of the Legislators' Retirement Plan, to other service credit earned in the plan. The service in the military reserves or the National Guard shall be treated as service earned prior to participation in the plan. The purchase can be made by the member by transfer, if authorized under subsection (7)(d) of this section, or in a lump-sum payment or by installment payments, as set forth in paragraph (b) of this subsection. The payment shall not be picked up by the employer as provided in KRS 6.505(2).

(b) The beneficiary may purchase military service credit only at one (1) time by lump-sum payment for the amount of service he wishes to purchase, and the payment shall be made within thirty (30) days of the death of the active member. The member may purchase all of his military service credit at one (1) time, or in increments of no less than one (1) year, unless there is a fraction remaining after all full years have been paid for. Payment of the total or the increment may be made by lump-sum or by monthly installments through payroll deduction. If the member chooses to pay by installment, the cost of the service credit shall be computed in the same manner as for a lump-sum payment, which shall be the principal. Interest, at the annual actuarial rate in effect at the time each payment is made, shall be added to each monthly payment at the rate of one-twelfth (1/12) of the annual interest rate applied to the declining principal amount. Installment purchases shall be for no less than twelve (12) nor more than sixty (60) months. If the member leaves office before completing his installment payments, he may satisfy his contract by a lump-sum payment of the remaining principal amount, but no further installment payments shall be accepted thereafter. In this case, the member shall be credited with the military service credit for which he has paid, in years or months but no fraction less than a full month, and any payment remaining after credit for full months has been awarded shall be returned to the member.

(c) The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

(d) No veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for a military pension in the future, unless the military pension is for service primarily on inactive duty in a reserve component of the Armed Forces, or is a disability pension which does not exceed five hundred dollars ($500) monthly.

(3) If spouses both serve in the General Assembly, but not simultaneously, they may combine their service credit in the Legislators' Retirement Plan for all purposes of that plan into a single account, and may jointly designate to whom the service retirement allowance shall be paid. The designation shall not be changed once it is made. Assuming equal service credit, the benefits paid, under this section, to a legislator and his or her spouse who also served as a legislator shall not exceed the benefits that the same legislator and his or her spouse would receive if the spouse had not served as a legislator.

(4) In the event of divorce, rights to benefits shall be considered marital property subject to the provisions of KRS 403.190.

(5) A former legislator whose spouse currently serves in the General Assembly and who received a refund of contributions under KRS 21.460 may repurchase service credit which he or she previously had by repaying the amount refunded with interest at six percent (6%) per annum, and the service credit shall become part of the single account authorized by subsection (3) of this section.

(6) A member who has qualified for benefits under KRS 6.525(1) may transfer to the Legislators' Retirement Plan up to ten (10) years of service credit which he has earned in a retirement system administered by Kentucky Retirement Systems. If the member elects to transfer his service credit, the system from which the transfer is made shall transfer to the legislators' retirement fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to date of transfer at the actuarially assumed interest rate of the system from which the transfer is made in effect at the time the contributions were made, compounded annually at that same interest rate. The member shall be entitled to the transferred service credit, at the rate at which he qualifies under KRS 6.520, when he pays the total difference between the amount of the funds transferred and the cost of the credit to the Legislators' Retirement Plan, as determined by the actuary for the Legislators' Retirement Plan. The member may pay by transfer, if authorized under subsection (7)(d) of this section, by lump sum, or by increments, as provided for in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

(7) (a) ~~[Any provision of law to the contrary notwithstanding, paragraphs (a), (b), (c), and (d) of this subsection shall apply only to applicable officials who are in office on June 21, 2001, and who are in active contributing status to the applicable retirement plan on June 21, 2001.~~

~~(a)]~~Any active member of the Legislators Retirement Plan who is vested in the Legislators Retirement Plan under KRS 6.525, shall receive service credit for a maximum of four (4) years each for his period of service as a Domestic Relations Commissioner, a Master Commissioner, or a District Court Trial Commissioner of the Commonwealth of Kentucky, or a combination thereof, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

(b) Any active member of the Legislators Retirement Plan who is vested in the Legislators Retirement Plan under KRS 6.525, shall receive service credit for his period of service to the United States Government, other than service in the Armed Forces, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the

Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

(c) Any member of the Legislators Retirement Plan, who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years of retirement service credit that is not otherwise purchasable, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The member shall be entitled to the service credit at the rate at which he qualifies under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

(d) A member of the Legislators Retirement Plan may purchase service credit under the provisions of this section by transferring funds ***through a direct trustee-to-trustee transfer as permitted under the applicable sections of the Internal Revenue Code and any regulations or rulings issued thereunder or through a direct rollover as contemplated by and permitted*** under[~~ the rules in~~] 26 U.S.C. sec. 401(a)(31) ***and any regulations or rulings issued thereunder***[~~directly from a retirement plan or a deferred compensation arrangement maintained by his employer that is a qualified plan under 26 U.S.C. sec. 401(a)~~]. Service credit may also be purchased by a rollover of funds ***pursuant to and permitted***[~~from a qualified retirement plan~~] under the rules specified in 26 U.S.C. sec. 402(c) ***and 26 U.S.C. sec. 408(d)(3)***. The Legislators Retirement Fund shall accept the transfer or rollover to the extent permitted under the rules specified in ***the applicable provisions of the Internal Revenue Code and any regulations and rulings issued thereunder***[~~26 U.S.C. secs. 402(c) and 401(a)(31)~~]. The amount shall be credited to the individual member's contribution account and shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

HB 599, AN ACT relating to reporting on capital projects.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The Commonwealth's chief information officer shall provide to the Capital Projects and Bond Oversight Committee at its January, April, July, and October regular meetings a status report on any information technology system not yet completed which received line item authorization by the Kentucky General Assembly or was authorized pursuant to KRS 45.760(14), excluding systems of an institution as defined under KRS 164.001. The committee shall prescribe data elements to be included in the quarterly status reports.

Section 2. KRS 26A.168 is amended to read as follows:

(1) The Administrative Office of the Courts shall provide to the Capital Projects and Bond Oversight Committee, at the committee's January, April, July, and October regular meetings, a status report[~~ on the progress~~] of all incomplete court facilities projects. ***The Capital Projects and Bond Oversight Committee shall prescribe data elements for the quarterly status reports.*** For each project, the status report shall include:

(a) The project title;

(b) The county in which the project is located;

(c) The scope and use allowance authorized for the project in the judicial branch budget and budget memorandum, and any increases to the scope or use allowance under KRS 26A.164;

(d) The current status of the project;

(e) ***Estimated completion date of the project;***

(f) An explanation of any delay or major change in the project***, including deletion or modification of project components***; and

(g)[~~(f)~~] Any other information that the committee requests.

(2) On August 1 of each year, the Administrative Office of the Courts shall prepare a financial report on the court facility use allowance contingency fund for the fiscal year ending on June 30 of that year. The report shall include, with explanations, allotments, expenditures, encumbrances, and the available balance.

Section 3. KRS 45.793 is amended to read as follows:

[~~(1) Beginning in October, 1992, ~~]The Finance and Administration Cabinet ***and any institution that manages its own capital construction under KRS 164A.580*** shall provide to the committee at its January, April, July, and October regular meetings a status report[~~ on the progress~~] of ***any*** capital ***project, excluding items of equipment,***[~~projects~~] not yet completed which received line item authorization by the Kentucky General Assembly ***or was authorized pursuant to KRS 45.760(14)***[~~and which were:~~

~~(a) Financed with at least four hundred thousand dollars ($400,000) from the general fund, the road fund, restricted agency~~

~~funds, federal funds, investment income, capital construction surplus funds, or bond surplus funds, excluding items of equipment; or~~

~~(b) State or agency bond funded]~~. ***The Capital Projects and Bond Oversight Committee shall prescribe data elements to be included in the quarterly status reports.***~~[~~

~~(2)]~~ For each capital project~~[identified in subsection (1)(a) of this section]~~, the status report shall include, but not be limited to, the:

(1)~~[(a)]~~Project title;

(2)~~[(b) Amount authorized, including any project cost modification reported to the committee pursuant to KRS 45.760, 45.770, and 45.800;~~

~~(c) Source of funds;~~

~~(d)]~~ County or counties in which the project is located;

(3)~~[(e)]~~Current phase of the project;

(4) Estimated completion date of the project

~~[(f) Status of the assistance agreement, if applicable]~~;

(5)~~[(g)]~~ Explanation of any delay or major change in the project***, including deletion or modification of project components***; and

(6) Any other information that the committee requests~~[~~

~~(h) Other information which might be useful in explaining the status of the project.~~

~~(3) For each capital project identified in subsection (1)(b) of this section, the status report shall include the information required in subsection (2) of this section as well as the status of the bond sale which shall include, but not be limited to:~~

~~(a) The estimated sale date or date sold;~~

~~(b) The bond issue series name or number;~~

~~(c) An explanation of the difference, if any, between the budgeted and actual annual debt service requirements; and~~

~~(d) If the bonds have not yet been sold, an explanation of why authorized bonds have not been sold]~~.

HB 607, AN ACT relating to the designation of the official state outdoor drama theatre.

WHEREAS, Pioneer Playhouse in Boyle County, Kentucky, was founded in 1950, and has been called the "Granddaddy" of Kentucky Outdoor Dramas; and

WHEREAS, in the fifties and sixties, the Pioneer Playhouse received national attention as the "King of Summer Stocks" in New York trade magazines; and

WHEREAS, during the early years of its illustrious history, Pioneer Playhouse served as a school of drama training ground for several famous actors, including John Travolta, who in 1969, as a 15 year old, appeared at Pioneer Playhouse in the Ephraim McDowell Story; Lee Majors, better known as the Six Million Dollar Man, who was only 20 years old while training at Pioneer Playhouse; Bo Hopkins, who has made over 60 films, who was 18 years old when he appeared at the Playhouse; and Jim Varney, a Lexington native, best known for his "Hey Vern" commercials, who was at the Playhouse in 1972 and 1973; and

WHEREAS, more than 3,000 other aspiring actors have strode across the stage of the Pioneer Playhouse;

NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The Pioneer Playhouse at Danville in Boyle County is named and designated by the State of Kentucky as the official outdoor drama theatre of Kentucky.

HR 107, A RESOLUTION recognizing February 6 as "Ronald Reagan Day" in the Commonwealth of Kentucky.

WHEREAS, President Ronald Wilson Reagan, a man of humble background, worked throughout his life serving freedom and advancing the public good, having been employed as an entertainer, union leader, corporate spokesman, Governor of California, and President of the United States; and

WHEREAS, Ronald Reagan served with honor and distinction for two terms as the 40th President of the United States of America; the second of which he earned the confidence of three-fifths (3/5) of the electorate and was victorious in forty-nine (49) of the fifty (50) states in the general election; a record unsurpassed in the history of American presidential elections; and

WHEREAS, in 1981, when Ronald Reagan was inaugurated President, he inherited a disillusioned nation shackled by rampant inflation and high unemployment; and

WHEREAS, during Mr. Reagan's presidency, he worked in a bipartisan manner to enact his bold agenda of restoring accountability and common sense to government which led to an unprecedented economic expansion and opportunity for millions of Americans; and

WHEREAS, Mr. Reagan's commitment to an active social policy agenda for the nation's children helped lower crime and drug use in our neighborhoods; and

WHEREAS, Mr. Reagan's commitment to our Armed Forces contributed to the restoration of pride in America, her values and those cherished by the Free World, and prepared America's Armed Forces to win the Gulf War; and

WHEREAS, President Reagan's vision of "peace through strength" led to the end of the Cold War and the ultimate demise of the Soviet Union, guaranteeing basic human rights for millions of people; and

WHEREAS, on February 6, 2002, Ronald Reagan will have reached the age of ninety-one years;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. This honorable body does hereby recognize February 6, 2002, A.D. and subsequent yearly anniversaries thereafter, as "Ronald Reagan Day."

Section 2. The Clerk of the House is hereby directed to transmit a copy of this resolution to the Ronald Reagan Legacy Project, 1920 L Street, N.W., Suite 200, Washington, D.C. 20036.

HCR 109, A CONCURRENT RESOLUTION to encourage the documentation of rock fences worthy of preservation and the development of criteria for their protection and preservation.

WHEREAS, the historic rock fences of Kentucky, particularly those in the Bluegrass region, are in danger of loss to road projects, neglect, and pilferage; and

WHEREAS, Kentucky's rock fences are widely recognized as trademarks of the region; and

WHEREAS, rock fences were built by Scots-Irish settlers, Irish immigrants, African-American freedmen, and the Works Progress Administration; and

WHEREAS, rock fence protection is being administered in diverse areas from the West Coast to Tennessee to New England; and

WHEREAS, New Hampshire and Rhode Island require rebuilding historic walls, and California is placing some of its walls on the National Register of Historic Places; and

WHEREAS, Fayette County, Kentucky, having lost twenty-five percent of the rock fences around its horse farms and family farms between 1967 and 1990, now requires the moving and rebuilding of old rock fences threatened by development; and

WHEREAS, such rock fences are visible reminders of the history of this Commonwealth, marking the bounds of old, historic properties and having served as battle lines during the Civil War; and

WHEREAS, they are expressions of the skill, practicality, and artistry of those early Kentuckians who built beauty into utilitarian structures; and

WHEREAS, the tourism, growth, and development industries routinely promote Central Kentucky by means of literature depicting historic rock fences and scenic landscapes, illustrating the importance of these rural elements to our citizens, our visitors, and to future generations; and

WHEREAS, it is appropriate that the Commonwealth of Kentucky act to preserve its historic heritage before more is lost or irreparably damaged;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Kentucky Historical Society and the Dry Stone Conservancy of Kentucky are hereby strongly encouraged to document rock fences worthy of preservation, to provide training in skills essential to their maintenance, and to develop criteria for their protection and preservation, including standards for moving and rebuilding such fences when other alternatives are not available.

The Committee Substitute to **HCR 109** is as follows:

HCR 109, A CONCURRENT RESOLUTION to encourage the documentation of rock fences worthy of preservation and the development of criteria for their protection and preservation.

WHEREAS, the historic rock fences of Kentucky, particularly those in the Bluegrass region, are in danger of loss to road projects, neglect, and pilferage; and

WHEREAS, Kentucky's rock fences are widely recognized as trademarks of the region; and

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Progress Administration; and

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WHEREAS, New Hampshire and Rhode Island require rebuilding historic walls, and California is placing some of its walls on the National Register of Historic Places; and

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WHEREAS, they are expressions of the skill, practicality, and artistry of those early Kentuckians who built beauty into utilitarian structures; and

WHEREAS, the tourism, growth, and development industries routinely promote Central Kentucky by means of literature depicting historic rock fences and scenic landscapes, illustrating the importance of these rural elements to our citizens, our visitors, and to future generations; and

WHEREAS, it is appropriate that the Commonwealth of Kentucky act to preserve its historic heritage before more is lost or irreparably damaged;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Kentucky Heritage Council and the Dry Stone Conservancy of Kentucky are hereby strongly encouraged to document rock fences worthy of preservation, to provide training in skills essential to their maintenance, and to develop criteria for their protection and preservation, including standards for moving and rebuilding such fences when other alternatives are not available.

The Committee on Appropriations and Revenue reported **HB 284,** with Committee Substitute attached thereto, and **HB 369,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Reported to the Committee on Rules.

The Committee Substitute to **HB 284** is as follows:

HB 284, AN ACT relating to tourism development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 148.851 is amended to read as follows:

As used in KRS 139.536 and KRS 148.851 to 148.860, unless the context clearly indicates otherwise:

(1) "Agreement" means a tourism attraction agreement entered into, pursuant to KRS 148.859, on behalf of the authority and an approved company[~~ on or before June 30, 2002~~], with respect to a tourism attraction project;

(2) "Approved company" means any eligible company approved by the secretary of the Tourism Development Cabinet and the authority pursuant to KRS 148.859 that is seeking to undertake a tourism attraction project;

(3) "Approved costs" means:

  (a) Obligations incurred for labor and to vendors, contractors, subcontractors, builders, suppliers, deliverymen, and materialmen in connection with the acquisition, construction, equipping, and installation of a tourism attraction project;

  (b) The costs of acquiring real property or rights in real property and any costs incidental thereto;

  (c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of the acquisition, construction, equipping, and installation of a tourism attraction project which is not paid by the vendor, supplier, deliveryman, contractor, or otherwise provided;

  (d) All costs of architectural and engineering services, including, but not limited to: estimates, plans and specifications, preliminary investigations, and supervision of construction and installation, as well as for the performance of all the duties required by or consequent to the acquisition, construction, equipping, and installation of a tourism attraction project;

  (e) All costs required to be paid under the terms of any contract for the acquisition, construction, equipping, and installation of a tourism attraction project;

  (f) All costs required for the installation of utilities, including but not limited to: water, sewer, sewer treatment, gas, electricity and communications, and including off-site construction of the facilities paid for by the approved company; and

  (g) All other costs comparable with those described in this subsection;

(4) "Authority" means the Kentucky Tourism Development Finance Authority as set forth in KRS 148.850;

(5) "Crafts and products center" means a facility primarily devoted to the display, promotion, and sale of Kentucky products, and at which a minimum of eighty percent (80%) of the sales occurring at the facility are of Kentucky arts, crafts, or agricultural products;

(6) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other entity operating or intending to operate a tourism attraction project, whether owned or leased, within the Commonwealth that meets the standards promulgated by the secretary of the Tourism Development Cabinet pursuant to KRS 148.855. An eligible company may operate or intend to operate directly or indirectly through a lessee;

(7) "Entertainment destination center" means a facility containing a minimum of two hundred thousand (200,000) square feet of building space adjacent or complementary to an existing tourism attraction, an approved tourism attraction project, or a major convention facility, and which provides a variety of entertainment and leisure options that contain at least one (1) major themed restaurant and at least three (3) additional entertainment venues, including, but not limited to, live entertainment, multiplex theaters, large format theaters, motion simulators, family entertainment centers, concert halls, virtual reality or other interactive games, museums, exhibitions, or other cultural and leisure time activities. Entertainment and food and drink options shall occupy a minimum of sixty percent (60%) of total gross area available for lease, and other retail stores shall occupy no more than forty percent (40%) of the total gross area available for lease;

(8) "Final approval" means the action taken by the authority authorizing the eligible company to receive inducements under KRS 139.536 and KRS 148.851 to 148.860;

(9) "Inducements" means the Kentucky sales tax refund as prescribed in KRS 139.536;

(10) "Preliminary approval" means the action taken by the authority conditioning final approval by the authority upon satisfaction by the eligible company of the requirements of KRS 139.536 and KRS 148.851 to 148.860;

(11) "State agency" means any state administrative body, agency, department, or division as defined in KRS 42.005, or any board, commission, institution, or division exercising any function of the state that is not an independent municipal corporation or political subdivision;

(12) "Tourism attraction" means a cultural or historical site, a recreation or entertainment facility, an area of natural phenomenon or scenic beauty, a Kentucky crafts and products center, or an entertainment destination center. A tourism attraction shall not include any of the following:

  (a) Lodging facilities, unless:

    1. The facilities constitute a portion of a tourism attraction project and represent less than fifty percent (50%) of the total approved cost of the tourism attraction project, or the facilities are to be located on recreational property owned or leased by the Commonwealth or federal government and the facilities have received prior approval from the appropriate state or federal agency; or

    2. The facilities involve the restoration or rehabilitation of a structure that is listed individually in the National Register of Historic Places or are located in a National Register Historic District and certified by the Kentucky Heritage Council as contributing to the historic significance of the district, and the rehabilitation or restoration project has been approved in advance by the Kentucky Heritage Council;

  (b) Facilities that are primarily devoted to the retail sale of goods, other than an entertainment destination center, a Kentucky crafts and products center, or a tourism attraction where the sale of goods is a secondary and subordinate component of the attraction; and

  (c) Recreational facilities that do not serve as a likely destination where individuals who are not residents of the Commonwealth would remain overnight in commercial lodging at or near the tourism attraction project; and

(13) "Tourism attraction project" or "project" means the acquisition, including the acquisition of real estate by a leasehold interest with a minimum term of ten (10) years, construction, and equipping of a tourism attraction; the construction, and installation of improvements to facilities necessary or desirable for the acquisition, construction, and installation of a tourism attraction, including but not limited to surveys; installation of utilities, which may include water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; and off-site construction of utility extensions to the boundaries of the real estate on which the facilities are located, all of which are to be used to improve the economic situation of the approved company in a manner that shall allow the approved company to attract persons.

Section 2. KRS 148.855 is amended to read as follows:

(1) The secretary of the Tourism Development Cabinet shall establish standards for the making of applications for inducements and the recommendation to the authority of eligible companies and their tourism attraction projects by the promulgation of administrative regulations in accordance with KRS Chapter 13A.

(2) The secretary of the Tourism Development Cabinet shall consult with the authority when establishing standards to ensure that standards established pursuant to subsection (1) of this section and KRS 148.857(1) do not conflict.

(3) With respect to each eligible company making an application to the secretary of the Tourism Development Cabinet for inducements, and with respect to the tourism attraction project described in the application, the secretary of the Tourism

Development Cabinet shall make inquiries and request materials of the applicant that shall include, but not be limited to, marketing plans for the project that target individuals who are not residents of the Commonwealth; a description and location of the project; capital and other anticipated expenditures for the project that indicate that the total cost of the project shall exceed one million dollars ($1,000,000) and the anticipated sources of funding therefor; the anticipated employment and wages to be paid at the project; business plans which indicate the average number of days in a year in which the project will be in operation and open to the public; and the anticipated revenues and expenses generated by the project. If the tourism attraction project is an entertainment destination center, the sales tax refund shall be dedicated to a public infrastructure purpose that shall relate to the tourism attraction project and shall be approved by the secretary of the Tourism Development Cabinet. The applicant shall submit the public infrastructure purpose with its application. Based upon a review of these materials, if the secretary of the Tourism Development Cabinet determines that the eligible company and the tourism attraction project may reasonably satisfy the criteria for final approval in subsection (4) of this section, then the secretary of the Tourism Development Cabinet may submit a written request to the authority requesting that the authority consider a preliminary approval of the eligible company and the tourism attraction project.

(4) After receiving a preliminary approval by the authority, the secretary of the Tourism Development Cabinet shall engage the services of a competent consulting firm to analyze the data made available by the eligible company and to collect and analyze additional information necessary to determine that, in the independent judgment of the consultant, the tourism attraction project:

(a) Shall attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth;

(b) Shall have costs in excess of one million dollars ($1,000,000);

(c) Shall have a significant and positive economic impact on the Commonwealth considering, among other factors, the extent to which the tourism attraction project will compete directly with existing tourism attractions in the Commonwealth and the amount by which increased tax revenues from the tourism attraction project will exceed the credit given to the approved company;

(d) Shall produce sufficient revenues and public demand to be operating and open to the public for a minimum of one hundred (100) days per year; and

(e) Shall not adversely affect existing employment in the Commonwealth.

(5) ***The independent consulting firm shall consult with the authority, the Office of the State Budget Director, the Finance and Administration Cabinet, and the Revenue Cabinet in the development of the report. The Office of the State Budget Director, the Finance and Administration Cabinet, and the Revenue Cabinet shall agree as to the methodology to be used and assumptions to be made by the independent consultant in preparing its report. On the basis of the independent consultant's report and prior to any approval of a project by the authority, the Office of the State Budget Director, the Finance and Administration Cabinet, and the Revenue Cabinet shall certify to the authority whether there is a projected net positive economic impact to the Commonwealth and the expected amount of incremental state revenues from the project. Approval shall not be granted if it is determined that there is no projected net positive economic impact to the Commonwealth.***

(6) The eligible company shall pay for the cost of the consultant's report and shall cooperate with the consultant and provide all of the data that the consultant deems necessary to make its determination under subsection (4) of this section.

(7)[~~(6)~~] After a review of relevant materials, the consultant's report, and completion of other inquiries, the secretary of the Tourism Development Cabinet shall, by written notification to the authority, provide a recommendation to the authority regarding final approval of the tourism attraction project.

Section 3. KRS 148.859 is amended to read as follows:

(1) The authority, upon adoption of its final approval, may enter into with any approved company an agreement with respect to its tourism attraction project. The terms and provisions of each agreement shall include, but not be limited to:

(a) The amount of approved costs, which shall be determined by negotiations between the authority and the approved company***. Any increase in approved costs incurred by the approved company and agreed to by the authority shall apply retroactively for purposes of calculating the carry forward for unused inducements as set forth in KRS 139.536(3) for tax years commencing on or after July 1, 2004***;

(b) A date certain by which the approved company shall have completed the tourism attraction project. Upon request from any approved company that has received final approval prior to or after July 15, 2000, the authority shall grant an extension or change, which in no event shall exceed three (3) years from the date of final approval, to the completion date as specified in the agreement of an approved company. Within three (3) months of the completion date, the approved company shall document the actual cost of the project through a certification of the costs to be provided by an independent certified public accountant acceptable to the authority;[~~ and~~]

(c) The following provisions:

1. The term shall be ten (10) years from the later of:

a. The date of the final approval of the project; or

b. The ***original*** completion date specified in the agreement, if this completion date is within three (3) years of the date of the final approval of the project***. An extension of the original completion date shall not alter the commencement date of the term***;

2. Within forty-five (45) days after the end of each fiscal year of the approved company, during the term of the agreement, the approved company shall supply the authority with such reports and certifications as the authority may request demonstrating to the satisfaction of the authority that the approved company is in compliance with the provisions of KRS 139.536 and KRS 148.851 to 148.860. Based upon a review of these materials and other documents that may be made available, the authority shall then certify to the Revenue Cabinet that the approved company is in compliance with this section; and

3. The approved company shall not receive a sales tax refund as prescribed by KRS 139.536 with respect to any fiscal year if:

a. In any year following the fourth year of the agreement, the tourism attraction project fails to attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth; or

b. In any year following the first year of the agreement, the tourism attraction project is not operating and open to the public for at least one hundred (100) days***; and***

(d) Upon request from an approved company that has completed at a minimum fifty percent (50%) of an entertainment destination center, the authority shall grant an additional extension or change to that provided in subsection (1)(b) of this Section, of up to three (3) years, which in no event shall exceed six (6) years from the date of final approval, to the completion date as specified in the agreement of the approved company, provided that:

1. The approved company shall have spent or have contractually obligated to spend an amount equal to or greater than the amount of approved costs set forth in the initial agreement;

2. The term of the agreement shall not be extended; and

3. The scope of the entertainment destination center, as set forth in the initial agreement, shall not be altered to include new or additional entertainment and leisure options.

(2) The agreement shall not be transferable or assignable by the approved company without the written consent of the authority.

(3) In consideration of the execution of the agreement as defined in KRS 148.851 and notwithstanding any provision of KRS 139.770 to the contrary, the approved company as defined in KRS 148.851 excluding its lessees, may be granted a sales tax refund under KRS 139.536 from the Kentucky sales tax imposed by KRS 139.200 on the sales generated by or arising at the tourism attraction project as defined in KRS 148.851.

The Committee Substitute to **HB 369** is as follows:

HB 369, AN ACT relating to health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.225 is amended to read as follows:

(1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and

(b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.

(2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994***, and shall include a mail order drug option as provided in subsection (14) of this section***. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

(b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.

(c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.

(d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.

(e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorially required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.

(f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

(g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.

(3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either

standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.

(4) The premiums may be paid by the policyholder:

(a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;

(b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or

(c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.

(5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.

(6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.

(7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.

(8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.

(9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.

(10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.

(11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.

(12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.

(13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.

(14) *(a) The policies of health insurance coverage procured under subsection (2) of this section shall include a mail order drug option for maintenance drugs for state employees. Maintenance drugs may be dispensed by mail order in accordance with Kentucky law.*

(b) Any retail pharmacy that agrees to meet the mail order price, dispensing fee, and copay requirements of the mail order program shall be permitted to participate in the mail order program by any health benefit plan or insurer providing services under this subsection, if the retail pharmacy is located within the geographic coverage area of the health benefit plan and insurer providing the prescription benefits.

(c) The mail order option shall not permit the dispensing of a controlled substance classified in Schedule II.

(d) As a condition of participating in the program authorized under this subsection, the pharmacy annually shall certify the following to the secretary of the Finance and Administration Cabinet:

1. Acceptance of prescriptive authority by health care practitioners as defined by KRS 217.015 and KRS 218A.010, as appropriate, and as authorized under Kentucky law; and

2. Compliance with all requirements of KRS Chapters 217, 218A, and 315 and the administrative regulations promulgated pursuant thereto.

(e) Failure to comply with the provisions of this subsection shall make the pharmacy ineligible to participate in the program authorized by this subsection.

(15) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

The Committee on Appropriations and Revenue reported **HB 457,** with Committee Amendment attached thereto, **HB 525, HB 526,** with Committee Amendment attached thereto, and **HB 531** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 457, AN ACT relating to income taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Secretary" means the secretary of revenue;

(2) "Cabinet" means the Revenue Cabinet;

(3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, *2001*[~~1999~~], exclusive of any amendments made subsequent to that date, other than amendments that extend provisions in effect on December 31, *2001*[~~1999~~], that would otherwise terminate, and as modified by KRS 141.0101;

(4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;

(5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;

(6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(7) "Individual" means a natural person;

(8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in Section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;

(9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in Section 61 of the Internal Revenue Code;

(10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by Section 62 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States and Kentucky;

(b) Exclude income from supplemental annuities provided by the Railroad Retirement Act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude employee pension contributions picked up as provided for in KRS 6.505, 16.545, 21.360, 61.560, 65.155, 67A.320, 67A.510, 78.610, and 161.540 upon a ruling by the Internal Revenue Service or the federal courts that these contributions shall not be included as gross income until such time as the contributions are distributed or made available to the employee;

(e) Exclude Social Security and railroad retirement benefits subject to federal income tax;

(f) Include, for taxable years ending before January 1, 1991, all overpayments of federal income tax refunded or credited for taxable years;

(g) Deduct, for taxable years ending before January 1, 1991, federal income tax paid for taxable years ending before January 1, 1990;

(h) Exclude any money received because of a settlement or judgment in a lawsuit brought against a manufacturer or distributor of "Agent Orange" for damages resulting from exposure to Agent Orange by a member or veteran of the Armed Forces of the United States or any dependent of such person who served in Vietnam;

(i) 1. Exclude the applicable amount of total distributions from pension plans, annuity contracts, profit-sharing plans, retirement plans, or employee savings plans.

2. The "applicable amount" shall be:
    a. Twenty-five percent (25%), but not more than six thousand two hundred fifty dollars ($6,250), for taxable years beginning after December 31, 1994, and before January 1, 1996;
    b. Fifty percent (50%), but not more than twelve thousand five hundred dollars ($12,500), for taxable years beginning after December 31, 1995, and before January 1, 1997;
    c. Seventy-five percent (75%), but not more than eighteen thousand seven hundred fifty dollars ($18,750), for taxable years beginning after December 31, 1996, and before January 1, 1998; and
    d. One hundred percent (100%), but not more than thirty-five thousand dollars ($35,000), for taxable years beginning after December 31, 1997.
3. As used in this paragraph:
    a. "Distributions" includes, but is not limited to, any lump-sum distribution from pension or profit-sharing plans qualifying for the income tax averaging provisions of Section 402 of the Internal Revenue Code; any distribution from an individual retirement account as defined in Section 408 of the Internal Revenue Code; and any disability pension distribution;
    b. "Annuity contract" has the same meaning as set forth in Section 1035 of the Internal Revenue Code; and
    c. "Pension plans, profit-sharing plans, retirement plans, or employee savings plans" means any trust or other entity created or organized under a written retirement plan and forming part of a stock bonus, pension, or profit-sharing plan of a public or private employer for the exclusive benefit of employees or their beneficiaries and includes plans qualified or unqualified under Section 401 of the Internal Revenue Code and individual retirement accounts as defined in Section 408 of the Internal Revenue Code;

(j) 1. a. Exclude the distributive share of a shareholder's net income from an S corporation subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300; and
    b. Exclude the portion of the distributive share of a shareholder's net income from an S corporation related to a qualified subchapter S subsidiary subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300.
2. The shareholder's basis of stock held in a S corporation where the S corporation or its qualified subchapter S subsidiary is subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300 shall be the same as the basis for federal income tax purposes;

(k) Exclude for taxable years beginning after December 31, 1998, to the extent not already excluded from gross income, any amounts paid for health insurance which constitutes medical care coverage for the taxpayer, the taxpayer's spouse, and dependents during the taxable year. Any amounts paid by the taxpayer for health insurance that are excluded pursuant to this paragraph shall not be allowed as a deduction in computing the taxpayer's net income under subsection (11) of this section;

(l) Exclude income received for services performed as a precinct worker for election training or for working at election booths in state, county, and local primary, regular, or special elections;

(m) Exclude any amount paid during the taxable year for insurance for long-term care as defined in KRS 304.14-600;

(n) Exclude any capital gains income attributable to property taken by eminent domain;

(o) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;

(p) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and

(q) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;

(11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section, minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus the deduction allowed by KRS 141.0202 and minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code as modified by KRS 141.0101 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

(a) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;

(b) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(1)(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(1)(h);

(c) The deduction for personal exemptions allowed under Section 151 of the Internal Revenue Code and any other deductions in lieu thereof; and

(d) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;

(12) "Gross income," in the case of corporations, means "gross income" as defined in Section 61 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows:

(a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States;

(b) Exclude all dividend income received after December 31, 1969;

(c) Include interest income derived from obligations of sister states and political subdivisions thereof;

(d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by Section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

(e) Include in the gross income of lessors income tax payments made by lessees to lessors, under the provisions of Section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;

(f) Include the amount calculated under KRS 141.205;

(g) Ignore the provisions of Section 281 of the Internal Revenue Code in computing gross income;

(h) Exclude income from "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code);

(i) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;

(j) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and

(k) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;

(13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus the deduction allowed by KRS 141.0202 and minus all the deductions from gross income allowed corporations by Chapter 1 of the Internal Revenue Code and as modified by KRS 141.0101, except the following:

(a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;

(b) The deductions contained in Sections 243, 244, 245, and 247 of the Internal Revenue Code;

(c) The provisions of Section 281 of the Internal Revenue Code shall be ignored in computing net income;

(d) Any deduction directly or indirectly allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once;

(e) Exclude expenses related to "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code); and

(f) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;

(14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income"

as defined in subsection (13) of this section;

(b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120;

(c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one (1) or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;

(d) "Taxable net income" in the case of homeowners' associations as defined in Section 528(c) of the Internal Revenue Code, means "taxable income" as defined in Section 528(d) of the Internal Revenue Code. Notwithstanding the provisions of subsection (3) of this section, the Internal Revenue Code sections referred to in this paragraph shall be those code sections in effect for the applicable tax year; and

(e) "Taxable net income" in the case of a corporation that meets the requirements established under Section 856 of the Internal Revenue Code to be a real estate investment trust, means "real estate investment trust taxable income" as defined in Section 857(b)(2) of the Internal Revenue Code;

(15) "Person" means "person" as defined in Section 7701(a)(1) of the Internal Revenue Code;

(16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed, and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the secretary, "taxable year" means the period for which such return is made;

(17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than one hundred eighty-three (183) days of the taxable year in this state;

(18) "Nonresident" means any individual not a resident of this state;

(19) "Employer" means "employer" as defined in Section 3401(d) of the Internal Revenue Code;

(20) "Employee" means "employee" as defined in Section 3401(c) of the Internal Revenue Code;

(21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;

(22) "Wages" means "wages" as defined in Section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), (q), and (s) of the Internal Revenue Code;

(23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;

(24) "Corporations" means "corporations" as defined in Section 7701(a)(3) of the Internal Revenue Code;

(25) "S corporations" means "S corporations" as defined in Section 1361(a) of the Internal Revenue Code. Stockholders of a corporation qualifying as an "S corporation" under this chapter may elect to treat such qualification as an initial qualification under Subchapter S of the Internal Revenue Code Sections.

The Committee Amendment No. 1 to **HB 457** is as follows:

On page 10, after line 27, by inserting the following:

"Section 2. The provisions of this Act apply to taxable years beginning after December 31, 2001.".

HB 525, AN ACT relating to development of science, technology, and business.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 68.180 is amended to read as follows:

(1) The fiscal court of each county having a population of three hundred thousand (300,000) or more may by order or resolution impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. License fees on such business, trade, occupation, or profession for revenue purposes, except those of the common schools, shall be imposed at a percentage rate or rates not to exceed one and one-fourth percent (1.25%) of (a) salaries, wages, commissions, and other compensation earned by persons within the county for work done and services performed or rendered in the county, and (b) the net profits of businesses, trades, professions, or occupations from activities conducted in the county. License fees imposed for regulatory purposes shall not be subject to such limitations as to form and amount. No public service company that pays an ad valorem tax shall be required to pay a license tax, and no license tax shall be imposed upon or collected from any bank, trust company, combined bank and trust company, combined trust, banking and title business in this state, any savings and loan association, whether state or federally chartered, or upon income received by members of the Kentucky National Guard for

active duty training, unit training assemblies, and annual field training, or upon income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections, ***or upon any profits, earnings, or distributions from investment partnerships or similar entities to the extent the investments would not be taxable if individually held or owned,*** or in other cases where the county is prohibited by law from imposing a license tax.

(2) The provisions and limitations of subsection (1) shall not apply to the license fees authorized by KRS 160.482 to 160.488.

Section 2. KRS 68.197 is amended to read as follows:

(1) The fiscal court of each county having a population of thirty thousand (30,000) or more may by ordinance impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. License fees on such business, trade, occupation, or profession for revenue purposes, except those of the common schools, may be imposed at a percentage rate not to exceed one percent (1%) of:

(a) Salaries, wages, commissions, and other compensation earned by persons within the county for work done and services performed or rendered in the county;

(b) The net profits of self-employed individuals, partnerships, professional associations, or joint ventures resulting from trades, professions, occupations, businesses, or activities conducted in the county; and

(c) The net profits of corporations resulting from trades, professions, occupations, businesses, or activities conducted in the county.

In order to reduce administrative costs and minimize paperwork for employers, employees, and businesses, the fiscal court may provide:

1. For an annual fixed amount license fee which a person may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on salaries, wages, commissions, and other compensation earned within the county for work done and services performed or rendered in the county; and

2. For an annual fixed amount license fee which an individual, partnership, professional association, joint venture, or corporation may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on net profits of businesses, trades, professions, or occupations from activities conducted in the county.

Licenses imposed for regulatory purposes are not subject to such limitations as to form and amount. No public service company that pays an ad valorem tax is required to pay a license tax, and no license tax shall be imposed upon or collected from any insurance company except as provided in KRS 91A.080, bank, trust company, combined bank and trust company, combined trust, banking, and title business in this state, or any savings and loan association whether state or federally chartered, or in other cases where the county is prohibited by law from imposing a license tax.

(2) No license fee shall be imposed or collected on income received by members of the Kentucky National Guard for active duty training, unit training assemblies, and annual field training, or on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections***, or upon any profits, earnings, or distributions from investment partnerships or similar entities to the extent the investments would not be taxable if individually held or owned***.

(3) Persons who pay a county license fee pursuant to this section and who also pay a license fee to a city contained in the county may, upon agreement between the county and the city, credit their city license fee against their county license fee.

(4) The provisions of subsection (3) of this section notwithstanding, effective with license fees imposed under the provisions of subsection (1) of this section on or after July 15, 1986, persons who pay a county license fee and a license fee to a city contained in the county shall be allowed to credit their city license fee against their county license fee.

(5) On July 14, 2000, the provisions of subsection (4) of this section notwithstanding, city license fees not credited against county license fees enacted under this section or KRS 67.083 as of January 1, 2000, shall not be credited against county license fees. However, this exception shall not apply to county license fees enacted for the first time, or increased, on or after January 1, 2000. This provision shall expire July 15, 2002, unless otherwise extended by the General Assembly.

(6) A county that enacted an occupational license fee under the authority of KRS 67.083 shall not be required to reduce its occupational tax rate when it is determined that the population of the county exceeds thirty thousand (30,000).

Section 3. KRS 91.200 is amended to read as follows:

(1) The board of aldermen of every city of the first class, in addition to levying ad valorem taxes, may by ordinance impose license fees on franchises, provide for licensing any business, trade, occupation, or profession and the using, holding, or exhibiting of any animal, article, or other thing. License fees on a business, trade, occupation, or profession for revenue purposes may be imposed at a percentage rate not to exceed those hereinafter set forth on (a) salaries, wages, commissions and other compensations earned by every person within the city for work done and services performed or rendered in the city (all of such being hereinafter collectively referred to as "wages"), and (b) the net profits of all businesses, professions, or occupations from activities conducted in the city (hereinafter collectively referred to as "net profits"). Licenses imposed for regulatory purposes shall not be subject to such limitations as to form and amount. No company that pays an ad valorem tax and a franchise tax is required to pay a license tax and no license tax shall be imposed upon or collected from

any bank, trust company, combined bank and trust company or combined trust, banking and title business in this state, any savings and loan association whether state or federally chartered, or upon income received by members of the Kentucky national guard for active duty training, unit training assemblies, and annual field training, or on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections, ***or upon any profits, earnings, or distributions from investment partnerships or similar entities to the extent the investments would not be taxable if individually held or owned,*** or in any other case where the city is prohibited by statute from imposing a license tax.

(2) The rate fixed on both "wages" and "net profits" shall be one and one-fourth percent (1.25%).

(3) License fees or taxes shall be collected by the commissioners of the sinking fund. The proceeds from the taxes shall be paid to the secretary and treasurer of the sinking fund until income from all sources of the sinking fund is sufficient to pay the cost of administration and the interest charges for the current fiscal year of the sinking fund in addition to a sum sufficient to amortize the outstanding principal indebtedness of the city on a yearly basis in accordance with regularly used amortization tables.

(4) Revenue remaining after meeting the foregoing requirements shall be transferred to the city. Such revenues shall be credited to the general fund of the city as received and may be expended for general purposes or for capital improvements.

(5) The term "capital improvements" as used in this section is limited to additions or improvements of a substantial and permanent nature and services rendered in connection therewith, and includes but is not limited to:

(a) The purchase of rights of way for highways, expressways, and the widening of existing streets;

(b) The purchase of lands for park, recreational, and other governmental facilities and for public off-street parking facilities;

(c) The purchase, construction, reconstruction, renovation, or remodeling of municipal buildings, and facilities;

(d) The replacement of machinery, wires, pipes, structural members or fixtures, and other essential portions of municipal buildings;

(e) The initial equipment of any newly acquired facility wherein any essential governmental function of the municipality may be located or carried on;

(f) The purchase and installation of traffic control devices and fire alarm equipment;

(g) The reconstruction and resurfacing, but not routine maintenance, of streets and other public ways;

(h) The acquisition of motorized equipment purchased as additions to, but not replacements for, existing equipment; and

(i) Engineering and other costs incurred by the city in connection with the construction of public improvements financed under a special assessment plan.

(6) Ad valorem taxes for the benefit of the sinking fund shall not be levied unless the income of the sinking fund is otherwise insufficient to meet such requirements.

(7) Licenses shall be issued and enforced on terms and conditions as prescribed by ordinance.

Section 4. KRS 92.281 is amended to read as follows:

(1) Cities of all classes are authorized to levy and collect any and all taxes provided for in Section 181 of the Constitution of the Commonwealth of Kentucky, and to use the revenue therefrom for such purposes as may be provided by the legislative body of the city.

(2) Nothing in this section shall be construed to repeal, amend, or affect in any way the provisions of KRS 243.070.

(3) This section shall not in any wise repeal, amend, affect, or apply to any existing statute exempting property from local taxation or fixing a special rate on proper classification or imposing a state tax which is declared to be in lieu of all local taxation, nor shall it be construed to authorize a city to require any company that pays both an ad valorem tax and a franchise tax to pay a license tax.

(4) This section shall also be subject to the provisions of KRS 91.200 in cities of the first class having a sinking fund and commissioners of a sinking fund.

(5) License fees on businesses, trades, occupations, or professions may not be imposed by a city of the sixth class at a percentage rate on salaries, wages, commissions, or other compensation earned by persons for work done or services performed within said city of the sixth class nor the net profits of businesses, professions, or occupations from activities conducted in said city of the sixth class.

(6) License fees or occupational taxes may not be imposed against or collected on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections.

(7) License fees or occupational taxes may not be imposed against or collected on any profits or earnings of, or distributions from, investment partnerships or similar entities to the extent the investments would not be taxable if individually held or owned.

SECTION 5. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

- ***(a) "Construction of research facilities" means constructing and equipping new facilities in this state or expanding existing facilities in this state for qualified research and includes only tangible, depreciable property, and does not include any amounts paid or incurred for replacement property; and***
- ***(b) "Qualified research" means qualified research as defined in Section 41 of the Internal Revenue Code.***

(2) A nonrefundable credit in the amount determined in subsection (3) of this section is permitted against the tax assessed in KRS 141.020 or 141.040 for the construction of research facilities. Any unused credit may be carried forward ten (10) years.

(3) The credit allowed in subsection (2) of this section shall equal five percent (5%) of the qualified costs of construction of research facilities.

Section 6. KRS 141.068 is amended to read as follows:

(1) As used in this section, unless the context requires otherwise:

- (a) "Authority" means the Kentucky Economic Development Finance Authority as created pursuant to KRS 154.20-010;
- (b) "Investor" has the same meaning as set forth in ***Section 17 of this Act***~~[KRS 154.20-253]~~;
- (c) "Investment fund" has the same meaning as set forth in ***Section 17 of this Act***~~[KRS 154.20-253]~~;
- (d) "Investment fund manager" has the same meaning as set forth in ***Section 17 of this Act***~~[KRS 154.20-253]~~; and
- (e) "Tax credit" means the credits provided for in ***Section 20 of this Act***~~[KRS 154.20-263]~~.

(2) (a) An investor which is an individual or a corporation shall be entitled to the credit certified by the authority under ***Section 20 of this Act***~~[KRS 154.20-259(6)]~~ against the income tax due computed as provided by KRS 141.020 or 141.040, respectively.

- (b) The amount of the certified tax credit that may be claimed in any tax year of the investor shall be determined in accordance with the provisions of ***Section 20 of this Act***~~[KRS 154.20-263]~~.

(3) (a) In the case of an investor that is an S-corporation, partnership, limited partnership, limited liability company, or limited liability partnership, the amount of the tax credit certified by the authority under ***Section 20 of this Act***~~[KRS 154.20-259(6)]~~ shall be apportioned among the shareholders, partners, or members thereof, as applicable, at the same ratio as the shareholders', partners', or members' distributive shares of income are determined for the tax year during which the amount of the credit is certified by the authority.

- (b) The amount of the tax credit apportioned to each shareholder, partner, or member that may be claimed in any tax year of the shareholder, partner, or member shall be determined in accordance with the provisions of ***Section 20 of this Act***~~[KRS 154.20-263]~~.

(4) (a) In the case of an investor that is a trust, the amount of the tax credit certified by the authority under ***Section 20 of this Act***~~[KRS 154.20-259(6)]~~ shall be apportioned to the trust and the beneficiaries on the basis of the income of the trust allocable to each for the tax year during which the tax credit is certified by the authority.

- (b) The amount of tax credit apportioned to each trust or beneficiary that may be claimed in any tax year of the trust or beneficiary shall be determined in accordance with the provisions of ***Section 20 of this Act***~~[KRS 154.20-263]~~.

(5) The Revenue Cabinet shall promulgate administrative regulations under KRS Chapter 13A adopting forms and procedures for the reporting and administration of credits authorized by ***Section 20 of this Act***~~[KRS 154.20-263]~~.

Section 7. KRS 141.0205 is amended to read as follows:

If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax imposed by KRS 141.020 or 141.040, the priority of application and use of the credits shall be determined as follows:

(1) The nonrefundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:

- (a) The individual credits permitted by KRS 141.020(3);
- (b) The economic development credits computed under KRS 141.347, 141.400, 141.403, 141.407, and 154.12-2088;
- (c) The health insurance credit permitted by KRS 141.062;
- (d) The tax paid to other states credit permitted by KRS 141.070;
- (e) The credit for hiring the unemployed permitted by KRS 141.065;
- (f) The recycling or composting equipment credit permitted by KRS 141.390;
- (g) The tax credit for cash contributions in investment funds permitted by KRS 154.20-263 ***in effect prior to the effective date of this Act and the credit permitted by Section 20 of this Act***;
- (h) The low income credit permitted by KRS 141.066;
- (i) The household and dependent care credit permitted by KRS 141.067;~~[and]~~

(j) The coal incentive credit permitted under KRS 141.0405***; and***

(k) The research facilities credit permitted under Section 5 of this Act.

(2) After the application of the nonrefundable credits in subsection (1) of this section, the refundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:

(a) The individual withholding tax credit permitted by KRS 141.350; and

(b) The individual estimated tax payment credit permitted by KRS 141.305.

(3) The nonrefundable credits against the tax imposed by KRS 141.040 shall be taken in the following order:

(a) The economic development credits computed under KRS 141.347, 141.400, 141.403, 141.407, and 154.12-2088;

(b) The health insurance credit permitted by KRS 141.062;

(c) The unemployment credit permitted by KRS 141.065;

(d) The recycling or composting equipment credit permitted by KRS 141.390;

(e) The coal conversion credit permitted by KRS 141.041;

(f) The enterprise zone credit permitted by KRS 154.45-090;

(g) The tax credit for cash contributions to investment funds permitted by KRS 154.20-263 ***in effect prior to the effective date of this Act and the credit permitted by Section 20 of this Act***;~~[and]~~

(h) The coal incentive credit permitted under KRS 141.0405***; and***

(i) The research facilities credit permitted under Section 5 of this Act.

(4) After the application of the nonrefundable credits in subsection (3) of this section, the refundable corporation estimated tax payment credit permitted by KRS 141.044 shall be allowed as a credit against the tax imposed by KRS 141.040.

Section 8. KRS 141.206 is amended to read as follows:

(1) Every partnership or S corporation owning property or engaging in business in Kentucky, shall, on or before the fifteenth day of the fourth month following the close of its annual accounting period, file a copy of its federal partnership return or S corporation return with the form prescribed and furnished by the cabinet.

(2) Partnerships and S corporations shall determine taxable income in the same manner as in the case of an individual under KRS 141.010(9) to (11) and the adjustment required under Sections 703(a) and 1363(b) of the Internal Revenue Code. Computation of taxable income under this section and the computation of the partners or shareholders distributive share shall be computed as nearly as practicable identical with those required for federal income tax purposes except to the extent required by differences between this chapter and the federal income tax law and regulations.

(3) Individuals or corporations carrying on a business as a partnership or S corporation shall be liable for income tax only in their individual or corporate capacities, and no income tax shall be assessed upon the income of any partnership or S corporation except as prescribed in KRS 141.040(5).

(a) Resident and nonresident individuals who are partners or S corporation shareholders must report and pay tax on the distributive share of net income, gain, loss, deduction, or credit, as determined in subsection (2) of this section, except as provided in subsections (4) and (5) of this section. Partnerships and S corporations may be required to withhold Kentucky income tax on the distributive share under administrative regulations issued by the cabinet.

(b) Corporations which are partners must include their distributive share of net income, gain, loss, deduction or credit, as determined under subsection (2) of this section, except as provided in subsections (4) and (5) of this section.

(4) Resident and nonresident individuals and corporations which are partners in a partnership or shareholders in an S corporation carrying on business only in Kentucky are taxable on all items of income gain, loss, deduction or credit determined under subsection (2) of this section and reported as their distributive share from the partnership or S corporation.

(5) Nonresident individuals and corporations which are partners in a partnership or shareholders in an S corporation which does business within and without Kentucky are taxable on their proportionate share of the distributive income passed through the partnership or S corporation attributable to business done in Kentucky.

(a) Business done in Kentucky is determined by the ratio of gross receipts from sales to purchasers or customers in Kentucky or services performed in Kentucky to the total gross receipts from sales or service everywhere.

(6) Resident partners, S corporation shareholders and corporations which are partners in a multistate partnership or shareholders in a multistate S corporation are taxable on one hundred percent (100%) of the distributive share of income, gains, losses, deductions or credits.

(7) Resident individuals who are partners in a partnership or shareholders in an S corporation which does not carry on business in Kentucky are subject to tax under KRS 141.020 on federal net income, gain, deduction, loss or credit passed through the partnership or S corporation.

(8) S corporation for purpose of this section means a corporation which has elected for federal tax purposes to be taxed as an S corporation. An election for federal tax purposes is a binding election for Kentucky tax purposes.

(9) Nonresident individuals shall not be taxable on investment income distributed by a qualified investment partnership. For purposes of this subsection a "qualified investment partnership" means a partnership formed to hold only investments that produce income that would not be taxable to the nonresident individual if held or owned individually.

SECTION 9. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

As used in Sections 9 to 12 of this Act, unless the context indicates otherwise:

(1) "Affiliate" means an ICC identified as the headquarters for program activity in a region or subregion;

(2) "Commissioner" means the commissioner of the Office for the New Economy established in KRS 154.12-278;

(3) "ICC" means the Kentucky Innovation and Commercialization Center;

(4) "Region" means a geographic area of Kentucky designated as having a unique innovation strategic plan by the Office for the New Economy; and

(5) "Satellite" means an office of an affiliate in a region.

SECTION 10. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) There is established the Kentucky Innovation and Commercialization Center Program within the Office for the New Economy. The goal of the ICC program is to create products, new companies, and value-added jobs in communities throughout the Commonwealth. Strategies to achieve this goal include:

(a) Increasing quality deal flow of technology-based firms in Kentucky;

(b) Increasing understanding of start-up process and investment practices; and

(c) Providing value-added services to the start-up and investment community.

(2) The duties of the ICC program shall include but not be limited to:

(a) Identifying and linking entrepreneurs, faculty, scientists, venture capitalists, and other key individuals from the business sector, universities, community and technical colleges, local leaders, and government for the creation and expansion of knowledge-based companies;

(b) Establishing a uniform protocol for assembling and communicating project concepts and opportunities;

(c) Supporting high-quality projects through the concept and development phases including services such as market research, prototype development, business plan and strategies development, grant and contract capabilities, and capital and management resource identification; and

(d) Identifying, in the area of technology development, potential partners, strategic opportunities, training and educational needs, and issues that inhibit the growth of technology sectors and business clusters in the state.

SECTION 11. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Innovation and Commercialization Centers are private-public partnerships, operating as a cohesive statewide infrastructure to support the implementation of key Kentucky Innovation Act initiatives.

(2) The organization of the ICCs shall include a central statewide headquarters, six (6) affiliate centers, and a number of satellite offices.

(a) The central headquarters has primary responsibility for the following:

1. Managing and administering the ICC Program;

2. Establishing uniform program application, protocol, and operating guidelines when appropriate;

3. Supporting the protocol by creating and funding centralized services to be distributed throughout the network; and

4. Identifying those issues, opportunities, and challenges that have statewide implications.

(b) The regional affiliates are responsible for fulfilling the duties as set forth in Section 10 of this Act relating to the implementation of the region's innovation strategic plan and supporting the implementation of the Kentucky Innovation Act initiatives in the region or subregion;

(c) The satellites are responsible for generating technology business development in their assigned geographic area, acting as a bridge between individuals and businesses needing critical early state concept and development work and the affiliate centers that can provide this support.

The affiliates and satellites provide a valuable assurance for equal access to the Kentucky Innovation Act initiatives and funding, and provide an opportunity for full participation in rural and remote, as well as metropolitan, areas of the state.

(3) The commissioner shall have all the powers and authority, not explicitly prohibited by statute, necessary and convenient to carry out and effectuate the purposes of Sections 9 to 12 of this Act.

(4) The commissioner shall, in effectuating the provisions of Sections 9 to 12 of this Act, contract with a science and

technology organization as defined in Section 29 of this Act to administer and manage the ICC Program.

SECTION 12. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other funding available for the implementation and operations of the ICC Program, a concept phase funding pool shall be created to assist individuals and businesses in the earliest stages of project feasibility and concept development.

(2) The amount of the funds available for any one (1) project or project concept from the concept phase funding pool shall not exceed twenty-five thousand dollars ($25,000).

(3) The individual or business shall match any award for each project or project concept receiving funds from the concept phase pool.

SECTION 13. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

The Kentucky Science and Technology Corporation shall administer and manage the Kentucky Science and Engineering Foundation as a means to increase Kentucky's capacity to become a leader state in competitive research by attracting more research funding from all sources to the Commonwealth. The Kentucky Science and Engineering Foundation shall be modeled in part on the National Science Foundation and shall make its own investments in peer-reviewed science and engineering research, to accelerate the rate of research and development funds and work to increase the amount of federal and private sector funds for this work in Kentucky.

Section 14. KRS 154.12-224 is amended to read as follows:

(1) There is created in the Cabinet for Economic Development the Department of Financial Incentives. The department shall be headed by a commissioner appointed by the Governor pursuant to KRS 12.040. The department shall coordinate all financial assistance, tax credit, and related programs available for business and industry.

(2) The department shall include the following divisions, each of which shall be headed by a director appointed by the secretary pursuant to KRS 12.050:

(a) The Grant Programs Division, which shall supervise and manage the Economic Development Bond Program, as set forth in KRS 154.12-100, and the Local Government Economic Development Program, as set forth in KRS 42.4588;

(b) The Direct Loan Programs Division, which shall supervise and manage the Direct Loan Program of the Kentucky Economic Development Finance Authority, as set forth in 307 KAR 1:020, and the Small Business Loans Branch;

(c) The Tax Incentive Programs Division, which shall supervise and manage the Kentucky Industrial Development Act Program, as set forth in KRS 154.28-010 et seq., the Kentucky Jobs Development Act Program, as set forth in KRS 154.24-010 et seq., the Kentucky Industrial Revitalization Act Program, as set forth in KRS 154.26-010 et seq., the Kentucky Rural Economic Development Act Program, as set forth in KRS 154.22-010 et seq., and the Kentucky Enterprise Zone Program, as set forth in KRS 154.45-001 et seq., which shall be attached to the division for administrative purposes; and

(d) The Program Servicing Division, which shall perform auditing, monitoring, and compliance functions for the Grant Programs Division, the Direct Loan Programs Division, and the Tax Incentive Programs Division within the Department of Financial Incentives.

(3) The department shall also include the following entities:

(a) The Kentucky investment fund, established by KRS 154.20-250 to 154.20-284, which shall be attached to the department for administrative purposes and staff support; and

(b) The Bluegrass State Skills Corporation, established by KRS 154.12-204 to 154.12-208, which shall be attached to the department.

(4) The department shall defer to the commissioner of the Office for the New Economy when preparing contracts subsequent to Kentucky Economic Development Finance Authority approval of projects recommended by the commissioner of the Office for the New Economy, and these contracts shall be acted upon within the time frame set forth in subsection (7) of Section 16 of this Act.

Section 15. KRS 154.12-274 is amended to read as follows:

(1) As used in this section, "cluster" shall have the same meaning as in KRS 164.6011.

(2) It is the intention of the General Assembly to recognize that a strong manufacturing base for the economy of the Commonwealth requires not only modernization of the production process but also an increase in the number of products developed, so that through the creation of new product lines, additional value-added products, and new manufacturing methods the economy will grow and quality job opportunities will increase. The Cabinet for Economic Development shall support this intention through its authority in KRS 154.12-050~~[and through its strategic technology capacity initiative in KRS 154.12-270]~~.

(3) The Cabinet for Economic Development shall enter into contracts or agreements with the Kentucky ***Manufacturing***

Assistance Center[~~Technology Service, Inc.~~], a nonprofit organization with the mission to assist Kentucky small and medium-size manufacturers to become more competitive in the global marketplace. The contracts or agreements shall require the Kentucky ***Manufacturing Assistance Center***[~~Technology Service, Inc.~~], to undertake the following activities:

(a) Negotiate contractual agreements with existing manufacturers to deliver modernization services that are likely to lead to the creation of new product lines, additional value-added products, and new manufacturing methods;

(b) Deliver engineering, technical, and business improvement services in Kentucky manufacturing facilities, through the network of Kentucky Technology Service locations in the state, that lead to the development of new product lines, additional value-added products, and new manufacturing methods;

(c) Coordinate services for and support the activities of Kentucky manufacturers that need additional projects, activities, and expertise beyond those available through the Kentucky ***Manufacturing Assistance Center***[~~Technology Service, Inc.~~];

(d) Promote, along with other economic development entities, the development of supplier chains, the linkages among suppliers, and the growth of clusters within the Commonwealth; and

(e) Provide to the Cabinet for Economic Development and Kentucky Innovation Commission a report of the advances made in the manufacturing modernization projects initiated.

Section 16. KRS 154.12-278 is amended to read as follows:

(1) As used in this section, "cluster" and "knowledge-based" shall have the same meaning as in KRS 164.6011.

(2) There is established the Office[~~ of the Commissioner~~] for the New Economy in the Cabinet for Economic Development. Notwithstanding KRS 154.10-050, the Governor shall nominate the commissioner ***of the Office for the New Economy***, who shall be approved by the Kentucky Economic Development Partnership.

(3) The duties of the Office[~~ of the Commissioner~~] for the New Economy shall include but not be limited to:

(a) ***Implement the Kentucky Innovation and Commercialization Center Program as set forth in Sections 9 to 12 of this Act***[~~Undertake a strategic technology capacity initiative under KRS 154.12-270~~];

(b) ***Monitor the return on investments and effectiveness of the Kentucky Innovation Act initiatives as set forth in the Strategic Plan for the New Economy as approved by the Kentucky Innovation Commission, January 7, 2002, or as revised, and report annually prior to November 1 to the Kentucky Innovation Commission, the Governor, and the General Assembly***[~~Develop a knowledge based economy strategy to be presented to the Kentucky Economic Development Partnership and the Kentucky Innovation Commission in KRS 154.12-270~~];

(c) Oversee the modernization initiative in KRS 154.12-274;

(d) Assist the cabinet in the recruitment of research and development companies;

(e) Assist the cabinet in the attraction of high-technology research and development centers;

(f) Support growth and creation of knowledge-based, innovative companies;

(g) Build ***the infrastructure for the new economy businesses*** and promote networks of technology-driven clusters and research intensive industries;

(h) Administer the high-tech construction pool and the high-tech investment pool;[~~ and~~]

(i) Recommend projects to the Kentucky Economic Development Finance Authority for funding through the high-tech construction pool and high-tech investment pool***; and***

(j) Approve the contracts issued by the Council on Postsecondary Education regarding the structure of programs and funding levels in those programs as administered by a science and technology organization and created in KRS 164.6021, 164.6029, and 164.6037, and the Kentucky Science and Engineering Foundation.

(4) The high-tech construction pool shall be used for projects with a special emphasis on the creation of high-technology jobs and knowledge-based companies. The commissioner, in administering the high-tech construction pool, shall recommend distribution of funds and projects to the Kentucky Economic Development Finance Authority for its approval. The commissioner shall recommend any designated amount of pool funds to be set aside for any match requirements. Any funds used for matching purposes may include public and private funds.

(5) The high-tech investment pool shall be used to build and promote[~~ networks to~~] technology-driven industries and research-intensive industries, as well as their related suppliers, with the goal of creating clusters of innovation-driven industries in Kentucky. The commissioner, in administering the high-tech investment pool, shall be authorized to recommend funds to be used to support loans and grants, or to secure an equity ***or related*** position[~~ in industrial networks~~].

(6) The Kentucky Economic Development Finance Authority shall assure in their approval of funding of projects that the highest priority is given to knowledge-based companies in fulfillment of the purposes and intentions of the purposes of this section.

(7) Those projects recommended by the commissioner in support of knowledge-based companies subsequent to project approval by the Kentucky Economic Development Finance Authority shall be acted upon within sixty (60) days following approval by the authority.

SECTION 17. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

As used in KRS 154.20-250 to 154.20-284, unless the context clearly requires otherwise:

(1) "Affiliate" means any person or entity who directly or indirectly, through one (1) or more intermediaries, controls or is controlled by or is under common control with another person or entity;

(2) "Agreement" means an investment fund agreement entered into pursuant to subsection (5) of Section 18 of this Act by the authority and an investment fund manager on behalf of the investment fund, the investment fund manager, and any investor in the investment fund;

(3) "Amended application" means a document submitted by an investment fund manager, in a form acceptable to the authority and on behalf of an investment fund, for the purpose of increasing the aggregate amount of available tax credits;

(4) "Applicant" means any person or entity who has not received approval from the authority as an investment fund manager, but who has submitted or will submit an application to the authority for approval as an investment fund manager;

(5) "Authority" means the Kentucky Economic Development Finance Authority or its designee;

(6) "Cash contribution" means an investment of money by an investor in an investment fund under the terms of KRS 154.20-250 to 154.20-284;

(7) "Committed cash contribution" means a legally binding agreement by an investor to make a cash contribution in an amount set forth in a written agreement between an investor and an investment fund;

(8) "Commonwealth" means the Commonwealth of Kentucky;

(9) "Credit" means a nonrefundable credit for investors against state tax liability allocated and granted by the authority pursuant to Section 20 of this Act for qualified investments made by approved investment funds;

(10) "Entity" means any corporation, limited liability company, business development corporation, partnership, limited partnership, registered limited liability partnership, sole proprietorship, association, joint stock company, receivership, trust, professional service organization, or other legal entity through which business is conducted;

(11) "Financial institution" means "financial institution" as defined in KRS 136.500(10) and includes savings and loan associations, savings banks, and similar institutions subject to the taxes imposed by KRS 136.290, 136.300, or 136.310;

(12) "Insurance company" means any insurance company subject to the taxes imposed by KRS 136.320, 136.330, or 304.3-270;

(13) "Investment fund" means any entity that is organized by an investment fund manager in compliance with applicable state and federal securities laws and regulations, and is approved by the authority to make qualified investments pursuant to Section 19 of this Act;

(14) "Investment fund manager" means any person or entity that has been approved by the authority to manage one (1) or more investment funds authorized under the provisions of KRS 154.20-250 to 154.20-284 and is in compliance with all applicable federal and state regulations;

(15) "Investor" means any person or entity, including financial institutions and insurance companies, that is subject to state tax liability and that makes a cash contribution or a committed cash contribution to an investment fund in accordance with the provisions of KRS 154.20-250 to 154.20-284 and has not been convicted of violating any of Kentucky's tax laws within the past ten (10) years;

(16) "Nonprofit entity" means an investor that is exempt from federal income tax under Section 501(c) of the Internal Revenue Code of 1986, as amended;

(17) "Qualified activity" means any industrial, manufacturing, mining, mining reclamation for economic development, commercial, health care, agricultural enterprise, or agribusiness activity. A "qualified activity" does not include any activity principally engaged in by financial institutions, commercial development companies, credit companies, financial or investment advisors, brokerage or financial firms, other investment funds or investment fund managers, charitable and religious institutions, oil and gas exploration companies, insurance companies, residential housing developers, retail establishments, or any activity that the authority determines in its discretion to be against the public interest, against the purposes of KRS 154.20-250 to 154.20-284, or in violation of any law;

(18) "Qualified investment" means an investment of money in a small business by an investment fund, in compliance with applicable state and federal securities laws and regulations, seeking a financial return based upon that consideration. In consideration for the qualified investment, the investment fund shall receive an equity interest in the small business, such as a general or limited partnership interest, common or preferred stock with or without voting rights and without regard to seniority position, forms of subordinate or convertible unsecured debt, or both, with warrants, rights, or other means of equity conversion attached; and

(19) "Small business" means any entity which at the time a qualified investment is made by an investment fund:

(a) 1. Has a net worth of five million dollars ($5,000,000) or less or net income after federal income taxes for each of the two (2) preceding fiscal years of three million dollars ($3,000,000) or less; or

2. Is a knowledge-based business, as shall be prescribed by the commissioner of the Office for the New Economy, and has a net worth of ten million dollars ($10,000,000) or less;

(b) Is actively and principally engaged in a qualified activity within the Commonwealth, or will be actively and principally engaged in a qualified activity within the Commonwealth after the receipt of a qualified investment by an investment fund;

(c) Has no more than one hundred (100) employees; and

(d) Has more than fifty percent (50%) of its assets, operations, and employees located in Kentucky.

SECTION 18. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

(1) The total amount of tax credits available to any single investment fund shall not exceed, in aggregate, eight million dollars ($8,000,000) for all investors and all taxable years. The total tax credits available for all investors in all investment funds shall not exceed forty million dollars ($40,000,000).

(2) A person or entity seeking to be approved as an investment fund manager for the operation of one (1) or more investment funds shall make written application to the authority pursuant to Section 19 of this Act, in addition to complying with applicable state and federal securities laws and regulations.

(3) Prior to the granting of any tax credits to investors of an investment fund, the committed cash contributions to an investment fund shall be not less than five hundred thousand dollars ($500,000).

(4) An investment fund shall have no less than four (4) investors, and no investor or investment fund manager, including their immediate family members, as defined in subsection (7) of Section 29 of this Act, and affiliates may own or have a capital interest in more than forty percent (40%) of the investment fund's capitalization.

(5) Subsequent to approval of the investment fund and the investment fund manager, the authority and the investment fund manager, on behalf of itself and any investors in the investment fund, shall enter into an agreement with respect to the investment fund. The terms and provisions of each agreement shall be determined by negotiations between the authority and the investment fund manager. The effective date of the agreement shall be the date of approval of the investment fund and the investment fund manager by the authority. If an investment fund manager fails to comply with any of the obligations of the agreement, the authority may, at its option, do any one (1) or more of the following:

(a) Suspend the availability of the credits;

(b) Pursue any remedy provided under the agreement, including termination of the agreement; or

(c) Pursue any other remedy at law to which it may be entitled.

(6) Any investor shall be entitled to a tax credit as a result of its investment in an investment fund as provided in Section 20 of this Act.

(7) Total qualified investments made by an investment fund, including initial and subsequent investments made by an investment fund, in any single small business using approved qualified investments, shall not exceed thirty percent (30%) of the committed cash contributions to the investment fund. This restriction shall not apply to investments of money by the investment fund that are not qualified investments.

(8) The provisions of this section shall not prohibit an investment fund from investing in a business that is not a small business, including a business that is located outside of the Commonwealth; however, such investments shall not be eligible for the tax credit set forth in Section 20 of this Act.

SECTION 19. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

(1) The approval of investment funds and investment fund managers shall be made pursuant to an application to the authority submitted by a proposed fund manager on behalf of a proposed investment fund and shall include:

(a) The name, address, and Social Security number or employer identification number, as applicable, of the investment fund manager and the investment fund;

(b) The applicant's business plan, including the minimum and maximum amount of cash contributions to be solicited for the investment fund, and strategy for operation of the proposed investment fund;

(c) The amount of credits the investment fund seeks for making qualified investments;

(d) The applicant fund manager's relevant experience and demonstrated ability to manage the proposed investment fund;

(e) The location and account number of a bank account that has been established for use by the investment fund;

(f) The exemption or registration provision that is being relied upon or intended to be relied upon by both the investment fund and the investment fund manager to permit this offering of securities and the activity of the investment fund manager in relation to the offering, in compliance with applicable state and federal securities laws and regulations;

(g) A representation that the investment fund and the investment fund manager are and shall remain in compliance with applicable state and federal securities regulations; and

(h) Any additional information the authority deems necessary.

(2) The applicant shall include copies of the following documents as attachments to the application:

(a) The disclosure documents used in connection with the offering and investment in the investment fund;

(b) The disclosure documents provided to each investor which state that:

1. The investor has certain rights, responsibilities, and liabilities pursuant to KRS 154.20-250 to 154.20-284;

2. The Commonwealth shall be immune from liability for any losses or damages investors, investment funds, or investment fund managers may incur pursuant to Section 26 of this Act;

3. No tax credit shall be available under the provision of KRS 154.20-250 to 154.20-284 until the investment fund and the investment fund manager have complied with applicable state and federal securities laws and regulations and have been approved by the authority, and an agreement has been executed, and the terms of that agreement have been disclosed in writing to each investor; and

4. Investors shall lose all rights to any unused credits allocated to an investment fund that does not make a qualified investment within one (1) year of the date of the agreement with the authority or within any one (1) year period thereafter through the end of the term of the agreement.

An applicant soliciting cash contributions for the initial capitalization of an investment fund, or an investment fund manager soliciting additional cash contributions for an approved investment fund, shall disclose in advance and in writing to each potential investor those items described in this subsection in addition to any other items required by law or by agreement.

(3) The authority shall have, in addition to its other powers provided in this chapter and as otherwise provided by law, all powers and authority, not explicitly prohibited by statute, that are necessary or convenient to carry out and effectuate the purposes, objectives, and provisions of KRS 154.20-250 to 154.20-284, including, but not limited to, power to:

(a) Require consultation, advisory, and legal fees and other expenses the authority deems necessary or incident to the preparation, adoption, implementation, modification, or enforcement of the terms of any agreement or other document, or otherwise necessary or incident to any transaction;

(b) Require the investment fund manager to pay these fees and expenses directly to the person providing such consultation, advisory, legal, or other services on behalf of the authority; and

(c) Impose and collect fees and charges in connection with any transaction and provide for reasonable penalties for delinquent payment of fees or charges.

Any payments made by an investment fund manager pursuant to this subsection may be passed on to the investment fund manager's investment fund.

(4) An investment fund's stated purpose shall be primarily to encourage and assist in the creation, development, or expansion of small businesses located in Kentucky.

(5) The criteria considered by the authority for the approval of investment fund managers and the maximum amount of credits allocated to the investors of an investment fund shall include, but not be limited to:

(a) Compliance by those persons with applicable state and federal securities laws and regulations:

(b) A review of the application;

(c) The investment strategy for the investment fund;

(d) The relevant experience of the applicant fund manager or, if the applicant fund manager is an entity, the applicant's management;

(e) The applicant's demonstrated ability to manage the investment fund; and

(f) The amount of credits requested by the investment fund and the total amount of credits which may be granted to investors under Section 20 of this Act.

(6) Notwithstanding the provisions of subsection (5)(a) of this section, the commissioner of the Office for the New Economy shall establish standards and criteria that shall be used to grant investment fund managers a waiver from compliance with the provisions of Section 37 of this Act and any other requirement under state law that an investment fund manager shall be a registered investment advisor. A waiver given by the commissioner of the Office for the New Economy to any investment fund manager that exempts the investment fund manger from complying with the provisions of Section 37 of this Act under this subsection, or the authority's approval of an investment fund or investment fund manager under this section, shall not be construed as a certification of the investment fund manager's experience, knowledge, quality, or other abilities and competencies. This information shall be conveyed to each investor.

(7) Following the making of a qualified investment, the investment fund manager shall within sixty (60) days file a disclosure form with the authority detailing the following information:

(a) The name and address of the small business in which the qualified investment was made;

(b) The amount of the qualified investment; and

(c) The name, address, and Social Security number or employer identification number, as may be applicable, of

each investor and the amount of credit allocated to each investor by virtue of the investor's proportional ownership interest in the qualified investment.

(8) An investment fund manager and its affiliates may operate no more than three (3) separate investment funds pursuant to separate applications submitted to and approved by the authority, provided the investment fund manager is in compliance with any applicable state and federal securities laws and regulations as evidenced by a written statement to the authority by an investment fund manager to that effect.

(9) An investment fund manager seeking to expand a previously approved investment fund shall submit to the authority an amended application in a form acceptable to the authority.

(10) An investment fund shall lose all unused credits that are available to its investors if the investment fund does not make a qualified investment within one (1) year of the date of the agreement or within any one (1) year period thereafter through the end of the term of the agreement.

(11) The contents of the information form required under subsections (1), (2), and (7) of this section shall be treated by the authority and by the Revenue Cabinet as confidential and shall not be considered public records under KRS 61.870 to 61.884.

(12) The authority, in consultation with the Revenue Cabinet, may establish additional procedures and standards, as it deems necessary for the approval of investment funds and investment fund managers, and for the allocation and granting of investment tax credits by the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A.

SECTION 20. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

(1) An investor shall be entitled to a nonrefundable credit equal to forty percent (40%) of the investor's proportional ownership share of all qualified investments made by its investment fund and verified by the authority. The aggregate tax credit available to any investor shall not exceed forty percent (40%) of the cash contribution made by the investor to its investment fund. The credit may be applied against the income tax imposed by KRS 141.020 or 141.040, the corporation license tax imposed by KRS 136.070, the insurance taxes imposed by KRS 136.320, 136.330, and 304.3-270, and the tax on financial institutions imposed by KRS 136.505.

(2) The tax credit amount that may be claimed by an investor in any tax year shall not exceed fifty percent (50%) of the initial aggregate credit amount approved by the authority for the investment fund which would be proportionally available to the investor.

(3) If the credit amount that may be claimed in any tax year, as determined under subsections (1) and (2) of this section, exceeds the investor's combined tax liabilities against which the credit may be claimed for that year, the investor may carry the excess tax credit forward until the tax credit is used, but the carry-forward of any excess tax credit shall not increase the fifty percent (50%) limitation established by subsection (2) of this section. Any tax credits not used within fifteen (15) years of the approval by the authority of the aggregate tax credit amount available to the investor shall be lost.

(4) The tax credits allowed by this section shall not apply to any liability an investor may have for interest, penalties, past due taxes, or any other additions to the investor's tax liability. The holder of the tax credit shall assume any and all liabilities and responsibilities of the credit.

(5) The tax credits allowed by this section are not transferable, except that:

(a) A nonprofit entity may transfer, for some or no consideration, any or all of the credits it receives under this section and any related benefits, rights, responsibilities, and liabilities. Within thirty (30) days of the date of any transfer of credits pursuant to this subsection, the nonprofit entity shall notify the authority and the Revenue Cabinet of:

1. The name, address, and Social Security number or employer identification number, as may be applicable, of the party to which the nonprofit entity transferred its credits;

2. The amount of credits transferred; and

3. Any additional information the authority or the Revenue Cabinet deems necessary.

(b) If an investor is an entity and is a party to a merger, acquisition, consolidation, dissolution, liquidation, or similar corporate reorganization, the tax credits shall pass through to the investor's successor.

(c) If an individual investor dies, the tax credits shall pass to the investor's estate or beneficiaries in a manner consistent with the transfer of ownership of the investor's interest in the investment fund.

(6) The tax credit amount that may be claimed by an investor shall reflect only the investor's participation in qualified investments properly reported to the authority by the investment fund manager. No tax credit authorized by this section shall become effective until the Revenue Cabinet receives notification from the authority that includes:

(a) A statement that a qualified investment has been made that is in compliance with KRS 154.20-250 to 154.20-284 and all applicable regulations; and

(b) A list of each investor in the investment fund that owns a portion of the small business in which a qualified investment has been made by virtue of an investment in the investment fund, and each investor's amount of

credit granted to the investor for each qualified investment.

The authority shall, within sixty (60) days of approval of credits, notify the Revenue Cabinet of the information required pursuant to this subsection and notify each investor of the amount of credits granted to that investor.

(7) After the date on which investors in an investment fund have cumulatively received an amount of credits equal to the amount of credits allocated to the investment fund by the authority, no investor shall receive additional credits by virtue of its investment in that investment fund unless the investment fund's allocation of credits is increased by the authority pursuant to an amended application.

SECTION 21. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

(1) To receive the credit provided by Section 20 of this Act, an investor shall claim the credit on the investor's annual state tax returns in the manner prescribed by the Revenue Cabinet.

(2) The contents of an investor's filings under subsection (1) of this section shall be treated by the authority and by the Revenue Cabinet as confidential and shall not be considered public records under the Kentucky Open Records Act, KRS 61.870 to 61.884.

SECTION 22. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

(1) An investment fund that violates the provisions of KRS 154.20-250 to 154.20-284 shall pay to the State Treasurer a penalty in an amount equal to the amount of all credits claimed by the investors when these credits are determined to be derived from unqualified investments, plus interest at the rate of two percent (2%) per month, compounded monthly, from the date the credits were taken. If the investment fund fails to pay the penalty and interest in full as required by the Revenue Cabinet, each investor shall be personally liable to the Revenue Cabinet for that investor's share of the unpaid penalty, which shall be determined by the amount of credits received and utilized by the investor and all applicable interest. Any payment of unpaid penalty by an investor shall be included with the investor's state tax return for the period in which the failure or violation occurred. The secretary of the Revenue Cabinet shall give notice in writing to the authority, the investment fund manager, and the investors of any penalties imposed. The secretary of the Revenue Cabinet may abate any imposed penalty upon written request, if the investment fund manager establishes reasonable cause for the failure to make qualified investments in small businesses under the provisions of KRS 154.20-250 to 154.20-284, or to otherwise comply with the provisions of KRS 154.20-250 to 154.20-284. The State Treasurer shall deposit any amounts received pursuant to this section in the Commonwealth's general fund.

(2) The administration of this section shall be the responsibility of the Revenue Cabinet.

SECTION 23. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

(1) Each investment fund manager shall file an annual report with the secretary of the Revenue Cabinet and with the authority, on or before February 15 of each year during which it manages an investment fund. This report shall include information that the authority prescribes from time to time, including, but not limited to, the following:

- *(a) For each small business in which qualified investments are made by the investment fund during the reporting period, the name and address of the small business, the amount of qualified investments made by the investment fund, the job creation anticipated and achieved by the small business, and new products and technologies being developed by the small business;*
- *(b) An affidavit prepared by the investment fund manager or, if the investment fund is an entity, by an authorized officer, partner, trustee, member, or manager of the investment fund management firm that states:*
  - *1. At the time of each qualified investment, each small business qualifies as a small business under the provisions of KRS 154.20-250 to 154.20-284;*
  - *2. The name and address of each investor, and the amount of cash contribution to the investment fund of each investor who is entitled to the credits; and*
  - *3. The continued compliance by the investment fund and the investment fund manager with all applicable state and federal securities laws and regulations.*

(2) The authority shall provide an annual written status report to the standing Appropriations and Revenue Committee of each house or to the Interim Joint Committee on Appropriations and Revenue, as appropriate, concerning the activities of the Kentucky investment fund for each fiscal year beginning with the fiscal year ended July 30, 2003. On or before November 1 of each year, the authority shall make an annual report for the preceding fiscal year to the Governor, the Legislative Research Commission, and the Kentucky Innovation Commission. The annual report shall include, but not be limited to, the following information:

- *(a) The total number of investors and the aggregate amount of committed cash contributions to all investment funds, categorized by the types of business entities through which investors conduct business and the geographical distribution of investors, including the area development districts;*
- *(b) The total number and amounts of qualified investments made by each investment fund to qualified small businesses, categorized by type of businesses, amount of investment, job creation anticipated and achieved, geographical distribution, including area development districts, and new products and technologies developed; and*

(c) The total amount of credits granted to investors.

(3) The contents of the annual reports from investment fund managers to the authority described in subsection (1) of this section shall be treated by the authority as confidential, and shall not be considered a public record under the Kentucky Open Records Act, KRS 61.870 to 61.884.

(4) The authority may charge a fee in connection with the administration and processing of an annual report made by an investment fund manager.

SECTION 24. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

Any investment fund approved to make qualified investments pursuant to KRS 154.20-250 to 154.20-284 prior to July 1, 2002, unless otherwise approved by the authority, shall continue to operate and be granted credits pursuant to the agreement entered into and the rules, regulations, and procedures adopted by the authority prior to the effective date of this Act.

Section 25. KRS 154.20-277 is amended to read as follows:

(1) Each investment fund manager shall cause the books and records of the investment fund to be audited on an annual basis by an independent certified public accountant in accordance with generally-accepted accounting principles consistently applied. The audit shall address the financial condition of the investment fund and compliance with the provisions of KRS 141.068 and KRS 154.20-250 to 154.20-284[~~, including, but not limited to, those provisions requiring that qualified investments be made within certain time limits~~]. Each year the audit report shall be completed and certified by the independent certified public accountant and delivered to the[~~ secretary of the Revenue Cabinet and the~~] authority within ninety (90) days after the end of the investment fund's fiscal year.

(2) The authority and the Revenue Cabinet, individually or collectively, may examine, under oath, any of the officers, trustees, partners, members, managers, directors, agents, employees, or investors of an investment fund[~~ or an investment fund manager, or if the investment fund manager is a person, an investment fund manager,~~] regarding the affairs and business of the investment fund. The authority and the Revenue Cabinet, individually or collectively, may issue subpoenas and subpoenas duces tecum and administer oaths. Refusal to obey such a subpoena or subpoena duces tecum may be reported to the Franklin Circuit Court, which shall enforce the subpoena or subpoena duces tecum according to the rules of civil or criminal procedure, as applicable.

(3) In addition to the audits required by this section, the authority or the Revenue Cabinet may audit one (1) or more investment funds or investment fund managers in any year on a random basis or for cause. The authority or the Revenue Cabinet may also audit***, for cause,*** any small business in which an investment fund has made a qualified investment[~~, or in which an investment fund proposes to make a qualified investment, on a random basis or for cause~~]. Nothing in this section shall be construed to prohibit the Revenue Cabinet from conducting any audit relating to the administration or enforcement of the tax laws of the Commonwealth which the Revenue Cabinet determines to be appropriate.

(4) If any audit conducted pursuant to this section discloses that an investment fund or investment fund manager is not in compliance with the provisions of KRS 141.068 and KRS 154.20-250 to 154.20-284, the authority and the Revenue Cabinet may consult with one another with respect to this noncompliance and the Revenue Cabinet may exercise any of its powers to protect the Commonwealth's interest and to enforce the provisions of KRS 141.068 and KRS 154.20-250 to 154.20-284.

(5) The authority may give an investment fund manager written notice of any noncompliance with the provisions of KRS 154.20-250 to 154.20-284 and specify a period of time the investment fund manager shall have to cure any noncompliance. Failure to cure any such noncompliance within the period of time specified by the authority may result in further action by the authority pursuant to this section.

(6)[~~ The authority and the Revenue Cabinet may each charge a fee in connection with the administration and review of annual audits of investment funds under this section.~~

~~(7)~~] Nothing in this section shall be construed to prohibit the Department of Financial Institutions, Division of Securities, or any other securities regulatory organization or body with jurisdiction over the activity of an investment fund or the investment fund manager from conducting any examination or investigation relating to the securities activities of the investment fund or investment fund manager. If any examination or investigation conducted pursuant to any securities laws or regulations discloses that an investment fund or investment fund manager is not in compliance with any provision of any applicable securities laws or regulations, the appropriate securities regulator may take whatever action it deems appropriate in accordance with such securities laws and regulations to respond to the noncompliance, notwithstanding any action the authority or the Revenue Cabinet may or may not take with respect to the noncompliance.

Section 26. KRS 154.20-279 is amended to read as follows:

The Commonwealth, the authority, or any officer, director, official, employee, or agent of the Commonwealth or the authority shall not be liable to any investor***,***[~~ or to any~~] investment fund***,*** or[~~ to any~~] investment fund manager as a result of KRS 154.20-250 to 154.20-284, or any of the activities authorized by KRS 154.20-250 to 154.20-284. This limitation of liability includes, without limitation:

(1) Losses or damages investors incur in connection with any ***committed or contributed*** cash contributions made to an investment fund or any qualified investments made by an investment fund in small businesses; and

(2) Any claim, liability, obligation, loss, damage, assessment, judgment, cost, and expense of any kind or character relating to

federal or state securities laws, rules, regulations, or orders.

Section 27. KRS 154.20-281 is amended to read as follows:

(1) An investment fund may be dissolved or liquidated only after notice to[~~ and approval of that dissolution or liquidation by~~] the authority in compliance with any applicable state or federal securities laws or regulations.[~~ The authority may promulgate administrative regulations in accordance with KRS Chapter 13A to establish procedures for application for approval to dissolve or liquidate an investment fund.~~]

(2) This section shall not prohibit an investment fund from making distributions to investors in compliance with any applicable state or federal securities laws or regulations, if the investment fund is in compliance with the terms of KRS 154.20-250 to 154.20-284[~~ and if these distributions are not made in connection with the dissolution or liquidation of the investment fund or prohibited by KRS 154.20-257(4) or KRS 154.20-271(1)~~].

Section 28. KRS 154.20-283 is amended to read as follows:

(1) No qualified investments shall be made in a small business that is the "alter ego" of the investment fund or the investment fund manager. For purposes of this subsection, a business is an "alter ego" of an investment fund or an investment fund manager if any of the following criteria are satisfied:

(a) ***Prior to an investment fund making a qualified investment in the small business,*** the small business is owned in whole or in ***an amount greater than twenty percent (20%) of the small business***[~~part~~] by an investor, officer, director, partner, member, manager, trustee or employee of the investment fund or the investment fund manager; ***or***

(b) The small business employs on a full-time or part-time basis an investor[~~, officer, director, partner, member, manager, trustee, or employee of the investment fund or the investment fund manager; or~~

~~(c) An investor, officer, director, partner, member, manager, trustee, or employee of the investment fund or the investment fund manager has a direct or indirect financial interest in the small business, other than by virtue of the qualified investment made by the investment fund to the small business~~].

(2) ***An***[~~No investor, officer, director, partner, member, manager, trustee, or employee of an investment fund or~~] investment fund manager ***may***[~~shall~~] occupy any management position in any small business in which that investment fund has made a qualified investment ***for the purpose of***[~~unless~~]:

(a) ***Filling a***[~~The person is filling that~~] management position[~~ at the direction of the investment fund manger~~] in an effort to remedy problems arising from a lack of profitability of the small business, or from dishonesty of the persons otherwise managing the small business; or

(b) ***Serving***[~~The authority approves the investor, officer, director, partner, member, manager, trustee, or employee of an investment fund or investment fund manager serving~~] in ***a***[~~the~~] management position in the small business ***in order to add value to the investment fund and the business by his or her experience, skills, or relationships to help a business succeed***.

(3)[~~ No investor, officer, director, partner, member, manager, trustee, or employee of an investment fund or investment fund manager shall have a direct or indirect financial interest in any small business in which the investment fund has a qualified investment, except by virtue of the qualified investment made by the investment fund in the small business.~~

~~(4)~~] No officer, member, or employee of the authority shall have a direct or indirect financial interest in any investment fund or investment fund manager.

Section 29. KRS 164.6011 is amended to read as follows:

As used in KRS ***164.6011 to 164.6041***[~~164.6017 to 164.6043~~], unless the context indicates otherwise:

(1) "Applied research" means those research activities occurring at universities and in private enterprises that have potential commercial application;

(2) "Cluster" means a geographically bound concentration of similar, related, or complementary businesses with active channels for business transactions, communications, and dialogue, that share specialized infrastructure, labor markets, and services, and that are faced with common opportunities and threats;

(3) "Commission" means the Kentucky Innovation Commission;

(4) "Commonwealth" means the Commonwealth of Kentucky;

(5) "Council" means the Council on Postsecondary Education;

(6) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, person, group, or other entity engaged in nonretail commerce, agribusiness, trade, or manufacturing;

(7) "Immediate family members" means:

(a) Spouse and parents-in-law;

(b) Parents and grandparents;

(c) Children and their spouses; and

(d) Siblings and their spouses;

(8) "Kentucky-based company" means a business with its principal place of business in Kentucky or no less than fifty percent (50%) of its property and payroll located in Kentucky;

(9) "Knowledge-based" means driven by knowledge, innovation, and speed;

(10) "Medium-size company" means a business with fifty-one (51) to one hundred fifty (150) employees;

(11) "Qualified company" means an eligible company that may be ***granted***~~[awarded]~~ a funding voucher ***or award*** pending certification;

(12) "Science and technology organization" means ***the Kentucky Science and Technology Corporation or*** an independent, nonprofit or quasi-governmental organization, with a statewide mission, that has a demonstrated history of managing complicated programs in the areas of entrepreneurial innovation, science, and technology advancement;

(13) "Seed funding" means financing that is provided for early-stage development, refinement, and commercialization of a product, process, or innovation through continuing applied research, advancing the patent process, determining commercial and market potential, or moving research toward development of a prototype; and

(14) "Small company" means a firm with fifty (50) or fewer employees.

Section 30. KRS 164.6013 is amended to read as follows:

The General Assembly finds that the general welfare and material well-being of the citizens of the Commonwealth depend on immediate action to develop a strong, entrepreneurial economy, characterized by knowledge, innovation, and speed and that it is in the best interest of the Commonwealth to promote research, innovation, and high-technology enterprises that utilize the higher-order skills of an educated workforce. The provisions in KRS 164.6011 to ***164.6041***~~[164.6043 and KRS 154.12-270]~~, 154.12-274, ~~[and]~~154.12-278***, and Sections 9 to 12 of this Act*** shall be liberally construed and applied to advance public purposes.

Section 31. KRS 164.6015 is amended to read as follows:

(1) There is established the Kentucky Innovation Commission, as an independent advisory commission, consisting of fifteen (15) members as follows:
   - (a) The Governor or designee;
   - (b) The secretary of the Governor's Executive Cabinet or designee;
   - (c) The secretary of the Cabinet for Economic Development or designee;
   - (d) The president of the Council on Postsecondary Education or designee;
   - (e) The state budget director or designee;
   - (f) The Speaker of the House or designee;
   - (g) The President of the Senate or designee; and
   - (h) Eight (8) at-large members appointed by the Governor as follows:
     1. Four (4) members of the private sector possessing extensive experience and expertise relating to managing a high-technology business or engaging in an innovation-driven, knowledge-based enterprise;
     2. One (1) member engaged in the business of venture capital;
     3. One (1) member of the private sector possessing extensive experience and expertise relating to providing or supporting communications infrastructure; and
     4. Two (2) members who are engineers or scientists recognized for their scientific or technological research efforts, or educators with an interest or background in teaching students to become highly skilled workers or entrepreneurs.

(2) The eight (8) at-large members shall serve terms of four (4) years, except that the original appointments shall be staggered so that two (2) appointments shall expire at two (2) years, three (3) appointments shall expire at three (3) years, and three (3) appointments shall expire at four (4) years from the dates of initial appointment.

(3) The commission shall meet quarterly and at other times upon call by the chair.

(4) Eight (8) members shall constitute a quorum for conducting business.

(5) Members shall receive no compensation except that the at-large members shall be reimbursed for actual and necessary travel expenses for attending meetings and performing other official functions, consistent with state reimbursement policy for state employees.

(6) Vacancies shall be filled in the same manner as the original appointment.

(7) The chair and vice chair of the commission shall be appointed by the Governor~~[from the private sector membership]~~.

(8) The commission shall provide ongoing advice, direction, and policy recommendations to the Governor and the General Assembly relating to the status of Kentucky knowledge-driven businesses, research and development initiatives, and related high-skill training and education in the Commonwealth.

(9) The duties and responsibilities of the commission shall be to:
   - (a) Promote the cooperation of private and public entities that have the purpose and duty of advancing the knowledge-

based economy in the Commonwealth through technological innovation and knowledge transfer;

(b) ***Report on the progress the Commonwealth has made annually toward achieving the goals in Section 30 of this Act through its agreed-upon benchmarks. In the setting of benchmarks the commission shall*** consider performance indicators recommended by public and private experts in and outside of the state in the fields of research and development and economic development, for the purpose of recommending benchmarks. Experts in this state shall include, but not be limited to, representatives from the universities undertaking research and development activities, representatives of the Kentucky Science and Technology Corporation, representatives of targeted technology sectors, representatives of the Cabinet for Economic Development, and representatives of other state agencies having economic development and information technology responsibilities. Outside state experts shall include nationally recognized independent reviewers to assess the competitiveness of technology sectors in this state and the impact of research and development activities on economic development in the Commonwealth. Quantitative and qualitative indicators may include, but are not limited to, the following:

1. Kentucky companies modernizing to become more technologically innovative and globally competitive;
2. Research and development initiatives undertaken at Kentucky universities with federal, state, or private funds;
3. Educational attainment in areas that support the workforce needs of information technology and high-growth knowledge industries;
4. High-technology sectors and companies moving to and operating in the state;
5. Patents filed for technology or knowledge-based commercial products, processes, or services;
6. Businesses using electronic commerce and the communications infrastructure access capacity for Kentucky businesses;[~~ and~~]
7. Growth in corporate headquarters, research and development centers, high-income employees, and clustering of related technology industries and suppliers; ***and***
8. ***Monitoring reports indicating progress made by the Kentucky Innovation Act investments as reported by the Office for the New Economy and the Council on Postsecondary Education;***

(c) Operate as a common strategic umbrella to advocate for the use of federal, state, local government, and private sector funds to create research and development projects, modernize manufacturing facilities, and promote knowledge-based, technology sectors and companies in the Commonwealth; and

(d) Report to the Governor and to the General Assembly annually on performance indicators, recommending benchmarks for measuring progress toward the advancement of the knowledge-based economy, technological innovation, and knowledge transfer, and reporting on the programs and initiatives set forth in KRS 164.6019 to ***164.6041***[~~ 164.6043 and KRS 154.12-270~~], 154.12-274, and 154.12-278***, and Sections 9 to 12 of this Act***.

(10) The support staff for the commission shall be from the office of the state budget director.

Section 32. KRS 164.6017 is amended to read as follows:

(1) The Council on Postsecondary Education shall have all the powers and authority, not explicitly prohibited by statute, necessary and convenient to carry out and effectuate the purposes of KRS 164.6019 to ***164.6041***[~~164.6043~~], including, but not limited to:

(a) Entering into contracts or agreements necessary or incidental to the performance of its duties, functions, and responsibilities; and

(b) Soliciting, borrowing, accepting, receiving, and expending funds from any public or private source, including, but not limited to, general fund appropriations of the Commonwealth, grants or contributions of money, property, labor, or other things of value to be used to carry out the programs' operations, functions, and responsibilities***; and***

(c) Notwithstanding the provisions in paragraph (a) of this subsection, the commissioner of the Office for the New Economy shall approve the contracts issued by the Council on Postsecondary Education regarding the structure of programs and funding levels in those programs administered by a science and technology organization and created in KRS 164.6021, 164.6029, and 164.6037, and Section 13 of this Act.

(2) The council may expend money in the funds created in KRS 164.6019, 164.6027, and 164.6035 for reasonable administrative expenses directly incurred in carrying out the requirements of KRS 164.6019 to ***164.6041***[~~164.6043~~]. It is the intent of the General Assembly that the funds created in KRS 164.6019, 164.6027, and 164.6035 be used, to the fullest extent possible, to directly fund project costs. ***It is also the intent of the General Assembly that the first priority of expenditures of any excess revenues generated from the funds created in KRS 164.6019, 164.6027, and 164.6035 is to replenish general fund appropriations for those same purposes.***

(3) The council shall contract with a science and technology organization to administer the programs created in KRS 164.6021***, 164.6029,*** and 164.6037[~~, and may contract with a science and technology organization to administer the programs created in KRS 164.6029 and 164.6043. The council may contract with the Kentucky Science and Technology Corporation to administer these programs~~]. The council shall approve the application criteria, the process for submission of an application, and the structure and type of outside expertise or peer review used in the application review process in

the programs created in KRS 164.6021, 164.6029, and 164.6037.

(4) No member of the council or the science and technology organization or other administering entity, or their employees or outside experts or their immediate family members, shall directly or indirectly financially benefit in any award, contract, or agreement under the programs.

(5) The council shall submit an annual report ***prior to October 15*** to ***the*** Kentucky Innovation Commission, the Governor, and the General Assembly detailing its work related to the programs created in KRS 164.6021, 164.6029, ***and*** 164.6037[~~, and 164.6043~~]. The annual ***report shall be coordinated with the monitoring report by the Office for the New Economy indicating progress made through investments, and***[~~reports~~] shall include ***but not be limited to*** reporting on the progress made in achieving each program's purposes, qualitative and quantitative information concerning the applications received, projects approved and undertaken, companies served, and funding amounts invested in each project or program, as appropriate, and findings and recommendations to increase each program's effectiveness in achieving its purposes.

(6) All records related to the administration of the programs created in KRS 164.6021, 164.6029, ***and*** 164.6037[~~, and 164.6043~~] shall be deemed property of the council and shall be deemed open records and subject to public inspection under KRS 61.870 to 61.884. Any research that involves or is a patent, trade secret, or other legally protectable interest shall be exempt from inspection until such time as the intellectual property rights have been fully protected.

(7) It is the intent of the General Assembly that the Counsel on Postsecondary Education partner with the Office for the New Economy within the Cabinet for Economic Development, to promote and increase research, teaching, and funding for new economy initiatives throughout the Commonwealth.

Section 33. KRS 164.6029 is amended to read as follows:

(1) There is created and established in the Council on Postsecondary Education a Kentucky Rural Innovation Program to provide ***awards***[~~vouchers~~] to rural Kentucky-based, small companies to undertake research, development, and entrepreneurial innovation work in partnership with Kentucky postsecondary institutions, the Small Business Development Center Network in Kentucky, and other entities engaged in research and development work.

(2) The purpose of the Kentucky Rural Innovation Program is to:

(a) Accelerate knowledge transfer and technological innovation that improve economic competitiveness and spur economic growth in rural, Kentucky-based, small companies;

(b) Support entrepreneurial activities that have clear potential to lead to commercially successful products, processes, or services within a reasonable period of time;

(c) Stimulate growth-oriented enterprises within the Commonwealth;

(d) Encourage partnerships and collaborative projects between private enterprises, Kentucky's postsecondary institutions, research organizations, and the Small Business Development Center Network in Kentucky; and

(e) Promote research, development, and entrepreneurial activities that are driven by private sector requirements.

Section 34. KRS 164.6031 is amended to read as follows:

(1) The ***science and technology organization***[~~council~~] shall have the authority to review applications, ***grant awards***[~~award vouchers~~] to qualifying companies, and certify qualified companies. The ***science and technology organization***[~~council~~] shall develop application criteria and an application process subject to the following limitations. The proposed project shall be likely to:

(a) Produce a measurable result and be technically sound;

(b) Lead to innovative technology or new knowledge;

(c) Lead to commercially successful products, processes, or services within a reasonable period of time; or

(d) Show significant potential for stimulating economic growth and a reasonable probability to enhance employment opportunities within rural Kentucky.

(2) The applicant shall provide to the ***science and technology organization***[~~council~~] an application that shall include, but not be limited to, the following information:

(a) Verification that the applicant is an eligible company, a Kentucky-based company, and a small company, and is located in a rural area of the state;

(b) Written justification that the project application is consistent with the program purposes;

(c) A research, development, and entrepreneurial plan that is sufficient in scope for review;

(d) A financial analysis and resource support plan that includes sufficient commitments by the applicant and others, in addition to ***a Kentucky Rural Innovation***[~~an~~] award[~~ voucher~~], providing a reasonable probability of the success of the project endeavor;

(e) Sufficient detail concerning proposed project partners, type and amount of work to be performed by each partner, and expected product or service with estimated costs to be reflected in the negotiated contract or agreement; and

(f) A statement of the economic development potential of the project.

(3) The ***science and technology organization***[~~council~~] shall conduct an independent review with the use of outside experts to

evaluate each application. Following the application review, the council shall make a determination of the application and may determine that the applicant is a qualified company as defined in KRS 164.6011.

(4) Upon a qualified company's presentation of a legal agreement or contract meeting the conditions under subsection (5) of this section the ***science and technology organization***[~~council~~] shall present the qualified company and partnering entities with a certification authorizing ***award***[~~voucher~~] funding.

(5) Prior to receiving certification authorizing ***award***[~~voucher~~] funding the qualified company shall:

(a) Negotiate an agreement and funding contract with one (1) or more of Kentucky's postsecondary institutions, the Small Business Development Center Network for approved project activities specified under KRS 154.01-750(4), or other entity engaged in the research and development work, that is satisfactory to the ***science and technology organization***[~~council~~], to undertake the research and development and entrepreneurial work; and

(b) Provide assurance to the ***science and technology organization***[~~council~~] that the collaborating parties have adequately addressed the ownership and disposition of patents, royalties, and all other intellectual property rights, and equity or related position relating to the contract between the qualifying company and a partnering entity.

(6) The ***science and technology organization***[~~council~~] shall set forth guidelines as to when and how all areas of the state will be notified about the program availability and guidelines for making application to the program. The ***science and technology organization***[~~council~~] shall determine a deadline, from the date ***an award***[~~a voucher~~] is ***granted***[~~awarded~~], that certification shall be made. If certification is not made by that deadline the[~~ voucher~~] award is made void.

(7) Prior to certifying a qualified company, the ***science and technology organization***[~~council~~] may negotiate with the qualified company the ownership and disposition of patents, royalties, all other intellectual property rights, and an equity or related position on behalf of the Kentucky rural innovation fund for the sole purpose of reinvesting and sustaining a revolving fund to carry out the provisions of this section and KRS 164.6029 and 164.6033.

(8) The council ***shall***[~~may~~], in effectuating the provisions of this section, contract with ***a***[~~any public agency, private entity, or~~] science and technology organization to administer and manage the Kentucky Rural Innovation Program.

Section 35. KRS 164.6033 is amended to read as follows:

Project funding in the Kentucky Rural Innovation Program shall have the following limitations:

(1) [~~Voucher~~]Award funds shall be used as seed funding as defined in KRS 164.6011;

(2) [~~Voucher~~]Award funds may be used for those entrepreneurial training topics specified in KRS Chapter 154.01-750(4), if they meet particular objectives of a qualified company as delineated in the project application; and

(3) The amount of a[~~ voucher~~] fund award to a qualified company shall not exceed ***fifty***[~~twenty-five~~] thousand dollars ***($50,000)***[~~($25,000)~~] each year for two (2) years, equal to a maximum of ***one hundred***[~~fifty~~] thousand dollars ***($100,000)***[~~($50,000)~~].

Section 36. KRS 292.320 is amended to read as follows:

(1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:

(a) To employ any device, scheme, or artifice to defraud;

(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

(2) It is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise:

(a) To employ any device, scheme, or artifice to defraud the other person; or

(b) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.

(3) It is unlawful for any investment adviser to enter into, extend, or renew any investment advisory contract unless it provides in writing:

(a) That the investment adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client ***unless the client is an "accredited investor," as defined by Rule 501 of the Securities Act of 1933***;

(b) That no assignment of the contract may be made by the investment adviser without the consent of the other party to the contract; and

(c) That the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

(4) Paragraph (a) of subsection (3) of this section does not prohibit an investment advisory contract which provides for compensation based upon the total value of a fund averaged over a definite period, or as of definite dates or taken as of a definite date. "Assignment", as used in paragraph (b) of subsection (3) of this section includes any direct or indirect

transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but, if the investment adviser is a partnership, no assignment of an investment advisory contract is considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser, or from the admission to the investment adviser of one (1) or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

(5) Subsection (3)(a) of this section shall ***also*** not apply to a contract with any person or class of persons that the commissioner by rule or regulation or by order upon application determines does not need the protections of subsection (3)(a) of this section. The commissioner may grant a conditional or unconditional exemption based on factors which include the person's or persons' financial sophistication, net worth, knowledge of and experience in financial matters, amount of assets under management, relationship with a registered investment adviser, or other factors as the commissioner determines are consistent with this section.

Section 37. KRS 292.330 is amended to read as follows:

(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent, unless ***the person***[~~he~~] is registered under this chapter. It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. It is unlawful for any investment adviser that is required to be registered under this chapter to employ an investment adviser representative unless the investment adviser representative is registered under this chapter. It is unlawful for any person to transact business in this state as an investment adviser unless:

(a) ***The person***[~~He~~] is so registered under this chapter;[~~ or~~]

(b) ***The person***[~~He~~] is registered as a broker-dealer under this chapter***; or***

(c) The person is approved, and remains approved, by the Kentucky Economic Development Finance Authority as an investment fund manager pursuant to Section 19 of this Act.

(2) It is unlawful for any covered adviser to transact business in this state unless:

(a) The person has made a notice filing with the commissioner consisting of a copy of those documents that have been filed by the covered adviser with the United States Securities and Exchange Commission and that the commissioner by rule or order requires to be filed together with consent to service of process and the fee prescribed in subsection (11)(b) of this section;

(b) The person is registered as a broker-dealer under this chapter;

(c) The person's only clients are investment companies as defined in the Investment Company Act of 1940, or insurance companies; or

(d) The person is excluded from the definition of investment adviser under KRS 292.310(10)(a) to (h) and (j).

It is unlawful for an investment adviser representative to be employed by a covered adviser who is required to make a notice filing with the commissioner unless the investment adviser representative is registered under this chapter.

(3) A broker-dealer, agent, investment adviser, or investment adviser representative may apply for registration by filing with the commissioner or the commissioner's designee an application together with a consent to service of process pursuant to KRS 292.430 and payment of the fee prescribed in subsection (11).

(a) Registration of a broker-dealer automatically constitutes registration of any agent who is a partner, officer, or director, or a person occupying a similar status or performing similar functions (except any partner, officer, or director or other such person whose registration as an agent is denied, suspended, or revoked under subsection (13)) without the filing of applications for registration as agents or the payment of fees for registration as agents.

(b) Except for any partner, officer, director, or other person whose registration as an investment adviser representative is denied, suspended, or revoked under subsection (13) of this section, registration of an investment adviser automatically constitutes registration of any investment adviser representative who is a partner, officer, director, or a person occupying a similar status or performing similar functions, without the filing of applications for registration as investment adviser representatives or the payment of fees for registration, as investment adviser representatives.

(c) The registration application shall contain whatever information the commissioner requires concerning such matters as:

1. The applicant's form and place of organization;

2. The applicant's proposed method of doing business;

3. The qualifications and business history of the applicant and in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser; and in the case of an investment adviser, the qualifications and business history of an employee;

4. Any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony; and

5. The applicant's financial condition and history.

(4) If no denial order is in effect and no proceeding is pending under subsection (13), registration becomes effective at noon of the thirtieth day after an application is filed, except as otherwise noted in this subsection:

(a) The commissioner may specify an earlier effective date and[~~ he~~] may by order defer the effective date until noon of the thirtieth day after the filing of any amendment.

(b) The commissioner may by rule establish a procedure for transfer of an agent or an investment adviser representative whereby registration may become effective prior to the filing of an application; but any registration so transferred shall not be effective for more than thirty (30) days, unless within that thirty (30) days a properly completed application is filed.

(c) The thirtieth day effective day is tolled if, before 5 p.m. EST of the thirtieth day, the commissioner notifies the applicant that the application is incomplete or that he intends to deny the application, pending the completion of the application or a hearing and final order on the intent to deny the application or the waiver of a hearing through the failure to request a hearing with fifteen (15) days of receiving notice of the intent to deny the application, as applicable.

(5) The commissioner may require as a condition of registration that the applicant (and, in the case of a corporation or partnership, the officers, directors, or partners) pass a written examination as evidence of knowledge of the securities business.

(6) Subject to the limitations of Section 15 of the Securities Exchange Act of 1934 and Section 222 of the Investment Advisers Act of 1940, the commissioner may by rule require the existence and maintenance of a minimum liquid net capital for registered broker-dealers and investment advisers and a minimum ratio between net capital and aggregate indebtedness, or both.

(7) Subject to the limitations of Section 15 of the Securities Exchange Act of 1934 and Section 222 of the Investment Advisers Act of 1940, the commissioner may by rule require registered broker-dealers, agents, and investment advisers to post surety bonds in an amount up to $25,000, and may determine their conditions, except under this subsection that no such bond may be required of any registrant whose net capital exceeds $100,000. An appropriate deposit of cash or securities shall be accepted in lieu of any required surety bond. Every surety bond shall provide for suit thereon by any person who has a cause of action under KRS 292.480, and every such bond shall provide that no suit may be maintained to enforce any liability on the bond unless brought within three (3) years after the later of the sale or other act upon which it is based or the discovery of the sale or act.

(8) Subject to the limitations of Section 15 of the Securities Exchange Act of 1934, the commissioner may by rule require registered broker-dealers to carry fidelity bonds, covering its agents, general partners, and officers, in such form, covering such risks, and in such amounts (not exceeding $250,000) as he deems necessary for the protection of the public; and he may by rule require registered broker-dealers to furnish satisfactory evidence that they have such bonds.

(9) Every registration of a broker-dealer, agent, investment adviser, and investment adviser representative and every notice filing shall be effective until December 31 of the year of registration or notice unless the commissioner by rule extends or lessens the registration or notice period may be renewed as hereinafter provided. The commissioner may by rule increase or reduce the registration fee or notice filing fee set forth in subsection (11) of this section should the registration period or notice period be extended or lessened.

(a) The registration of an agent is not effective during any period when he is not associated with an issuer or a registered broker-dealer specified in his application or a notice filed with the commissioner or the commissioner's designee. When an agent begins or terminates a connection with an issuer or registered broker-dealer, the agent and the issuer or broker-dealer shall promptly notify the commissioner or the commissioner's designee.

(b) The registration of an investment adviser representative is not effective during any period when he is not associated with an investment adviser specified in his application or with a covered adviser specified in a notice filed with the commissioner or the commissioner's designee. When an investment adviser representative begins or terminates a connection with an investment adviser, the investment adviser representative and the investment adviser shall promptly notify the commissioner or the commissioner's designee. When an investment adviser representative begins or terminates a connection with a covered adviser, the investment adviser representative shall notify the commissioner or the commissioner's designee.

(10) Registration of a broker-dealer, agent, investment adviser, or investment adviser representative may be renewed by filing with the commissioner or the commissioner's designee prior to the expiration thereof an application containing the information the commissioner may require to indicate any material change in the information contained in the original application or any renewal application for registration as a broker-dealer, agent, investment adviser, or investment adviser representative filed with the commissioner or the commissioner's designee by the applicant, payment of the prescribed fee and, in the case of a broker-dealer, a financial statement showing the financial condition of such broker-dealer as of a date within ninety (90) days. A notice filing by a covered adviser may be renewed by filing with the commissioner or the commissioner's designee a notice filing consisting of any documents filed with the United States Securities and Exchange Commission as the commissioner may require by rule or order. A registered broker-dealer or investment adviser may file an application for registration of a successor and a covered adviser may file a notice filing for a successor, whether or not

the successor is then in existence, for the unexpired portion of the year without payment of any fee.

(11) (a) The fee for initial or renewal registration shall be one hundred twenty dollars ($120) for a broker-dealer, one hundred dollars ($100) for an investment adviser, fifty dollars ($50) for an agent, fifty dollars ($50) for an investment adviser representative, and fifty dollars ($50) for transfer of an agent or investment adviser representative, none of which fees shall be refundable.

(b) The fee for notice filings shall be one hundred dollars ($100) for a covered adviser.

(12) (a) Every registered broker-dealer, firm employing issuer agents, and investment adviser shall make and keep all accounts, correspondence, memoranda, papers, books, and other records which the commissioner by rule prescribes. All records required shall be preserved for three (3) years unless the commissioner by rule prescribes otherwise for particular types of records. All required records shall be kept within this state or shall, at the request of the commissioner, be made available at any time for examination by him either in the principal office of the registrant or by production of exact copies thereof in this state. If a broker-dealer is registered with the United States Securities and Exchange Commission, the books and records required by this section are limited to those that the Securities Act of 1934 requires the broker-dealer to maintain. If an investment adviser has his principal place of business in another state, the requirements of this section shall be limited to those books and records requirements of that state, provided the adviser is registered in that state and in compliance with its recordkeeping requirements.

(b) Every registered broker-dealer and investment adviser shall file such reports as the commissioner by rule prescribes. If a broker-dealer is registered with the United States Securities and Exchange Commission, the reports required by this section are limited to those required under the Securities Act of 1934. If an investment adviser has his principal place of business in another state, the requirements of this section shall be limited to the reporting requirements of that state, provided the adviser is registered in that state and in compliance with its reporting requirements.

(c) If the information contained in any document filed with the commissioner or the commissioner's designee is or becomes inaccurate or incomplete in any material respect, the broker-dealer or investment adviser, as applicable, shall promptly file a correcting amendment. In the case of a covered adviser, the adviser shall file only copies of those documents required to be filed with the Securities and Exchange Commission.

(d) The commissioner may make periodic examinations, within or without this state, of each broker-dealer, firm employing issuer agents, and investment adviser at such times and in such scope as he determines. These examinations may be made without prior notice to the broker-dealer, firm employing issuer agents, or investment adviser. The expense reasonably attributable to any such examination shall be paid by the broker-dealer, firm employing issuer agents, or investment adviser whose business is examined but the expense so payable shall not exceed an amount which the commissioner by rule prescribes. For the purpose of avoiding unnecessary duplication of examinations, the commissioner, insofar as he deems it practicable in administering this subsection, may cooperate with securities administrators of other states, the securities and exchange commission, and any national securities exchange or national securities association registered under the Securities Exchange Act of 1934.

(e) The commissioner may by rule prohibit unreasonable charges, profits, commissions, or other compensation of broker-dealers and investment advisers.

(f) The commissioner may prescribe rules for the conduct of business by broker-dealers and investment advisers which he finds appropriate in the public interest and for the protection of investors.

(g) The commissioner may enter into an arrangement, agreement, or other working relationship with federal, other state, and self-regulatory authorities whereby documents may be filed and maintained in a central depository system with the National Association of Securities Dealers or other agencies or authorities. It is the intent of this paragraph that the commissioner be provided power to reduce duplication of filings, reduce administrative costs, and establish uniform procedures, forms, and administration with the states and federal authorities. The commissioner may permit initial and renewal registration filings required under this chapter to be filed with the Securities and Exchange Commission, the National Association of Securities Dealers, or other similar authorities. The commissioner may accept uniform securities examinations or other procedures designed to implement a uniform national securities regulatory system or facilitate common practices and procedures among the states.

(13) (a) The commissioner may by order deny, suspend, or revoke registration of any broker-dealer, agent, investment adviser, or investment adviser representative, or bar or censure any registrant or any officer, director, partner, or person occupying a similar status or performing similar functions for a registrant, from employment with a registered broker-dealer or investment adviser, or restrict or limit a registrant as to any function or activity of the business for which registration is required in the Commonwealth of Kentucky, if he finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer, or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

1. Has filed an application for registration under this section which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or

contained any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

2. Has willfully violated or willfully failed to comply with any provision of this chapter or a predecessor law or any rule or order under this chapter or a predecessor law;
3. Has been convicted, within the past ten (10) years, of any misdemeanor involving a security or any aspect of the securities business, or any felony, or has pending against him any such criminal charge;
4. Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;
5. Is the subject of an order of the commissioner denying, suspending, or revoking registration as a broker-dealer, agent, investment adviser, or investment adviser representative;
6. Is the subject of any of the following orders that are currently effective and were issued within the last five (5) years:
    a. An order by the securities agency or administrator of another state or Canadian province or territory, or by the Securities and Exchange Commission, entered after notice and opportunity for hearing, denying, suspending, limiting or revoking the person's license as a broker-dealer, sales representative, or investment adviser, or the substantial equivalent of those terms;
    b. An order of a self-regulatory organization finding a violation of federal law or a rule of the self-regulatory organization;
    c. A United States Postal Service fraud order;
    d. A cease and desist or other administrative order entered after notice and opportunity for hearing by the commissioner, the securities agency or administrator of another state, or a Canadian province or territory, the Securities and Exchange Commission, or the Commodity Futures Trading Commission; or
    e. An order by the Commodity Futures Trading Commission denying, suspending, or revoking registration under the Commodity Exchange Act;
7. Has engaged in dishonest or unethical practices in the securities business;
8. Is insolvent, either in the sense that his liabilities exceed his assets or in the sense that he cannot meet his obligations as they mature; but the commissioner may not enter an order against a broker-dealer or investment adviser under this paragraph without a finding of insolvency as to the broker-dealer or investment adviser;
9. Is not qualified on the basis of such factors as training, experience, or knowledge of the securities business, except as provided in paragraph (b) below; or the commissioner may by order, deny, suspend, or revoke any registration if he finds that the order is in the public interest and that the applicant or registrant:
    a. Has failed reasonably to supervise his agents if he is a broker-dealer or his employees or investment adviser representatives if he is an investment adviser; or
    b. Has failed to pay the proper filing fee; but the commissioner may enter only a denial order under this clause, and he shall vacate any such order when the deficiency has been corrected.
10. Has violated the law of a foreign jurisdiction governing or regulating any aspect of the business of securities or banking; or within the past five (5) years, has been the subject of an action of a securities regulator or a foreign jurisdiction denying, revoking, or suspending the right to engage in the business of securities as a broker-dealer, agent, investment adviser, or investment adviser representative or is the subject of an action of any securities exchange or self-regulatory organization operating under the authority of the securities regulator of a state, federal, or foreign jurisdiction suspending or expelling the person from membership in the exchange or self-regulatory organization.

The commissioner may not institute a suspension or revocation proceeding on the basis of a fact or transaction known to him when registration became effective unless the proceeding is instituted within the next thirty (30) days; or

(b) The following provisions govern the application of subparagraph 9. of paragraph (a) of this subsection:

1. The commissioner may not enter an order against a broker-dealer on the basis of the lack of qualification of any person other than the broker-dealer himself if he is an individual or an agent of the broker-dealer;
2. The commissioner may not enter an order against an investment adviser on the basis of the lack of qualification of any person other than the investment adviser himself if he is an individual or any other person who represents the investment adviser in doing any of the acts which make him an investment adviser;
3. The commissioner may not enter an order solely on the basis of lack of experience if the applicant or registrant is qualified by training or knowledge or both;

4. The commissioner shall consider that an agent who will work under the supervision of a registered broker-dealer need not have the same qualifications as a broker-dealer;

5. The commissioner shall consider that an investment adviser is not necessarily qualified solely on the basis of experience as a broker-dealer or agent. When he finds that an applicant for initial or renewal registration as a broker-dealer is not qualified as an investment adviser or an investment adviser representative, he may by order condition the applicant's registration as a broker-dealer upon his not transacting business in this state as an investment adviser or an investment adviser representative;

6. The commissioner may by rule provide for an examination, which may be written or oral or both, to be taken by any class of or all applicants, as well as investment adviser representatives and persons who represent or will represent an investment adviser in doing any of the acts which make him an investment adviser.

(c) The commissioner may by order summarily postpone an application for registration or suspend a registration pending final determination of any proceeding under this section. A summary suspension of an existing registration shall only be made based upon a finding by the commissioner that such action is in the public interest and that there is substantial evidence of a violation of law that constitutes an immediate danger to the public. KRS 13B.125 shall apply to the entry of a summary suspension of a registration. An appeal of a summary suspension shall address only the necessity of a summary action and shall not constitute an appeal of the merits of the underlying violation of the law. Upon the entry of the order, the commissioner shall promptly notify the applicant or registrant, as well as the employer or prospective employer if the applicant or registrant is an agent, that it has been entered and of the reasons therefor and that within fifteen (15) days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination.

(d) If the commissioner finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, agent, investment adviser, or investment adviser representative, or is subject to an adjudication of mental disability or to the control of a conservator or guardian, or cannot be located after reasonable search, the commissioner may by order cancel the registration or application.

(e) Withdrawal from registration as a broker-dealer, agent, investment adviser, or investment adviser representative becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the commissioner may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within thirty (30) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the commissioner by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the commissioner may nevertheless institute a revocation or suspension proceeding under subparagraph 2. of paragraph (a) of this subsection within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective. A notice filing may be withdrawn or terminated by providing notice of the withdrawal or termination, as the case may be, to the commissioner; the withdrawal or termination is effective upon receipt by the commissioner of the notice.

(f) No order may be entered under any part of this section except the first sentence of paragraph (c) of this subsection without appropriate prior notice to the applicant or registrant (as well as the employer or prospective employer if the applicant or registrant is an agent or representative), opportunity for hearing, and written findings of fact and conclusions of law.

(14) Notwithstanding subsection (1) of this section, any broker-dealer, agent, investment adviser or investment adviser representative, or transaction or class of transactions by such persons, for which the commissioner expressly by rule or order finds that registration is not necessary or appropriate in the public interest or for the protection of investors shall be exempt from registration under this section. The commissioner may require that persons exempted from registration under this provision file such forms and information for notice purposes and be bound by one (1) or several provisions of this section as the commissioner deems necessary and appropriate in the public interest or for the protection of investors and the commissioner may impose filing fees in connection therewith, provided however, that the amount of the fee shall not exceed the fee which would be due in the event the exempt person were required to obtain registration.

Section 38. KRS 292.410 is amended to read as follows:

(1) Except as expressly provided, KRS 292.330 to 292.390 shall not apply to any of the following transactions:

(a) Any isolated nonissuer transaction, whether effected through a broker-dealer or not;

(b) Any nonissuer distribution of an outstanding security by a registered broker-dealer, if the security has a fixed maturity or a fixed interest or dividend provision and there has been no default during the current fiscal year or within the three (3) preceding fiscal years, or during the existence of the issuer and any predecessors if less than three (3) years, in the payment of principal, interest, or dividends on the security;

(c) Any nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy; but the commissioner may by rule require that the customer acknowledge upon a specified form that the sale was unsolicited, and that a signed copy of each such form be preserved by the broker-dealer for a specified period;

(d) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;

(e) Any transaction in a bond or other evidence of indebtedness secured by a real or chattel first mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit;

(f) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;

(g) Any transaction executed by a bona fide pledgee without any purpose of evading this chapter;

(h) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity;

(i) The offer or sale of a security by the issuer of the security if all of the following conditions are met:

1. The issuer does not offer or sell the securities by means of a form of general advertisement or general solicitation. The following shall not constitute general solicitation within the meaning of this section:

a. Solicitation of indications of interest in accordance with the terms and conditions as the commissioner may adopt by rule; or

b. Offers to sell securities and the dissemination of written offering materials in accordance with the terms of this section at least thirty (30) days after the withdrawal of an application by the issuer to register the same class of securities;

2. The issuer reasonably believes that each purchaser of the securities is acquiring the securities for investment and is aware of any restrictions imposed on transferability and resale of the securities. The basis for reasonable belief may include:

a. Obtaining a written representation signed by the purchaser that the purchaser is acquiring the securities for the purchaser's own investment and is aware of any restrictions imposed on the transferability and resale of the securities; and

b. Placement of a legend on the certificate or other document that evidences the securities stating that the securities have not been registered under this chapter, and setting forth or referring to the restrictions on transferability and sale of the securities; and

3. The transaction satisfies one (1) of the following conditions:

a. Each purchaser has access to all the material facts with respect to the securities by reason of the purchaser's active involvement in the organization or management of the issuer or the purchaser's family relationship with a person actively involved in the organization or management of the issuer;

b. There are not more than fifteen (15) purchasers in Kentucky ***described in subdivision a. of this subparagraph, plus an unlimited number of purchasers who are "accredited investors"***[~~and each Kentucky purchaser is an "accredited investor"~~] as defined by Rule 501 of the Securities Act of 1933[~~ or is a purchaser described in subdivision a. of this subparagraph~~]; or

c. The aggregate offering price of the securities, including securities sold outside of Kentucky, does not exceed ***one million***[~~five hundred thousand~~] dollars ***($1,000,000)***[~~($500,000)~~], the total number of purchasers ***who are not accredited investors***, including purchasers outside of Kentucky, does not exceed thirty-five (35), and each purchaser either receives all of the material facts with respect to the decision to invest in the security or is an accredited investor or a purchaser described in subdivision a. of this subparagraph;

4. Persons receiving commissions, finders fees, or other remuneration in connection with sales of securities in reliance on this subsection are not relieved of compliance with KRS 292.330[~~(6)~~];

5. The commissioner may by rule deny the exemption provided in this subsection to a particular class of issuers or may make the exemption available to the issuers upon compliance with additional conditions and requirements, if appropriate in furtherance of the intent of this chapter;

6. The commissioner may, by order, increase the maximum number of purchasers or the maximum offering amount provided in paragraph 3.c. of this subsection upon request if the commissioner determines that any such increase is necessary or appropriate in the public interest or for the protection of investors. Any request to increase either or both of the conditions shall be made in writing to the commissioner before any sale in reliance on the requested increase and shall be accompanied by the following:

a. A statement of the amount of the increase in the maximum offering amount or in the number of purchasers being requested, and the issuer's reasons for requesting the increase;

b. A copy of ***any***[~~the~~] offering circular or other written materials being distributed to prospective purchasers;

c. A copy of the written representation and legend serving as the issuer's basis for reasonable belief of a purchaser's investment intent and awareness of restrictions on the transferability and resale of the security being acquired; and

d. A filing fee of two hundred fifty dollars ($250);

(j) Any offer or sale of a preorganization certificate or subscription, if:

1. No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber;

2. The number of subscribers does not exceed twenty-five (25); and

3. No payment is made by any subscriber;

(k) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than ninety (90) days of their issuance, if no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state;

(l) Any offer (but not a sale) of a security for which registration statements have been filed under both this chapter and the Securities Act of 1933 if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under either act;

(m) The issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock;

(n) Any transaction incident to a right of conversion or a statutory or judicially-approved reclassification, recapitalization, reorganization, quasi reorganization, stock split, reverse stock split, merger, consolidation, or sale of assets;

(o) Any transaction by a person who does not control, and is not controlled by or under common control with, the issuer if:

1. The transaction is at a price reasonably related to the current market price;

2. The security is registered under Section 12 of the Securities Exchange Act of 1934 and the issuer files reports pursuant to Section 13 of that act; and

3. Copies of such federal registration statements, reports, forms or exhibits as the commissioner may by rule or order require are filed with the commissioner;

(p) Any transaction by a person who may control, or may be controlled by or under common control with, the issuer if:

1. The transaction is at a price reasonably related to the current market price;

2. The security is registered under Section 12 of the Securities Exchange Act of 1934 and the issuer files reports pursuant to Section 13 of that act;

3. Copies of such federal registration statements, forms, reports, or exhibits as the commissioner may by rule or order require are filed with the commissioner; and

4. Such sales by any such person comply with such rules as the commissioner may prescribe; or

(q) Any transaction for which the commissioner by rule or order finds that registration is not necessary or appropriate in the public interest or for the protection of investors.

(2) The commissioner may by order deny or revoke the exemption specified in KRS 292.400(6), (9), or (12) or in this section with respect to a specific security or transaction. No such order may be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact and conclusions of law, except that the commissioner may by order summarily deny or revoke any of the specified exemptions pending final determination of any proceeding under this subsection. Upon entry of a summary order, the commissioner shall promptly notify all interested parties that it has been entered and of the reasons therefor and that within fifteen (15) days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order to extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated this chapter by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known of the order. In any proceeding under this chapter, the burden of proving an exemption from a definition is upon the person claiming it.

Section 39. The following KRS sections are repealed:

154.12-270 Cabinet to undertake strategic technology capacity initiative and study -- Study results.

154.20-253 Definitions for KRS 154.20-250 to 154.20-284.

154.20-257 Approval of investment funds, cash contributions, and investment fund managers -- Tax credits authorized by KRS 154.20-263 -- Agreement between authority and investment fund manager -- Transfer of funds -- Schedule for investment -- Prohibition against awarding of tax credits and approval of investment funds or investment fund managers after specific dates.

154.20-259 Information that applicant must disclose to authority in application -- Confidentiality of applications -- Power of authority -- Purpose of investment funds -- Criteria for approval of investment fund managers -- Authority for administrative regulations.

154.20-261 Fund manager's business office -- Initial capitalization, qualified investments, and other regulations governing fund -- Written disclosure to investors required -- Limitation of Commonwealth's liability.

154.20-263 Investor entitled to nonrefundable tax credit against income tax or corporation license tax -- Authority to carry excess tax credit forward -- Tax credits not transferable and not applicable to interest, penalties, or other additions to investor's tax liability.

154.20-267 Limitations on total amount of tax credits -- Order in which authority approves credits to investors.

154.20-269 Procedure for obtaining tax credit -- Confidentiality of investor's filings.

154.20-271 Disallowance of cash contributions redeemed or withdrawn -- Penalty for failure to invest in small businesses and abatement of penalty -- Personal liability of investors to Revenue Cabinet -- Administration by Revenue Cabinet.

154.20-273 Investment fund manager's reports to Revenue Cabinet and to authority, content and time of filing -- Authority's status reports to General Assembly, content and time of filing -- Confidentiality of reports from investment fund managers to the authority -- Fees.

164.6043 Council to create nonprofit regional technology corporations -- Organization, powers, and duties of corporations -- Funding.

HB 526, AN ACT relating to the unified prosecutorial system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.755 is amended to read as follows:

(1) The compensation of each Commonwealth's attorney shall be paid out of the State Treasury.

(2) The compensation of the staff of each Commonwealth's attorney shall be paid out of the State Treasury.

(3) In each judicial circuit containing a city of the first or second class or an urban-county government, or a city of the third class and a population of sixty-eight thousand (68,000) or more, or which has a full-time ***Commonwealth's***~~[Commonwealth]~~ attorney, the Commonwealth's attorney shall not engage in the private practice of law. The population of a judicial circuit shall, for the purpose of this statute, be determined by the most recent federal decennial census enumeration. All other Commonwealth's attorneys shall not be prohibited from engaging in the private practice of law.

(4) Each Commonwealth's attorney who is prohibited from engaging in the private practice of law shall receive as compensation for his services the sum of twenty-six thousand dollars ($26,000) per annum.

(5) Each Commonwealth's attorney who is not prohibited from engaging in the private practice of law shall receive as compensation for his services the sum of fourteen thousand three hundred dollars ($14,300) per annum.

(6) Each Commonwealth's attorney of the state shall be paid each month the sum of ***one thousand dollars ($1,000)***~~[five hundred dollars ($500)]~~, which sum is declared to be the equivalent of the minimum sum that each Commonwealth's attorney will expend each month in the performance of his official duties directed to be performed for the Commonwealth. The aforementioned sum shall be paid out of the State Treasury.

(7) In order to equate the compensation of Commonwealth's attorneys with the purchasing power of the dollar, the Department for Local Government shall compute by the second Friday in February of every year the annual increase or decrease in the consumer price index of the preceding year by using 1949 as the base year in accordance with Section 246 of the Constitution of Kentucky which provides that the above elected officials shall be paid at a rate no greater than twelve thousand dollars ($12,000) per annum. The Department for Local Government shall notify the appropriate governing bodies charged by law to fix the compensation of the above elected officials of the annual rate of compensation to which the elected officials are entitled in accordance with the increase or decrease in the consumer price index. Upon notification from the Department for Local Government, the appropriate governing body may set the annual compensation of the above elected officials at a rate no greater than that stipulated by the Department for Local Government.

Section 2. KRS 15.765 is amended to read as follows:

(1) Each county attorney shall receive, for prosecutorial duties, an annual salary to be paid out of the State Treasury which shall be the total compensation as county attorney which he received during the calendar year 1976, but which in no event

shall be less than twenty thousand dollars ($20,000). Except, however, the annual salary of each county attorney shall be equal to that of each Commonwealth's attorney who is not prohibited from the private practice of law as provided in KRS 15.755(5), effective January 1, 1990.

(2) Each county attorney shall be paid each month the sum of ***five hundred dollars ($500)***[~~two hundred fifty dollars ($250)~~], which sum is declared to be the equivalent of the minimum sum that each county attorney will expend each month in the performance of his official duties directed to be performed for the Commonwealth. The aforementioned sum shall be paid out of the State Treasury.

(3) In order to equate the compensation of county attorneys with the purchasing power of the dollar, the Department for Local Government shall compute by the second Friday in February of every year the annual increase or decrease in the consumer price index of the preceding year by using 1949 as the base year in accordance with Section 246 of the Constitution of Kentucky which provides that the above elected officials shall be paid at a rate no greater than twelve thousand dollars ($12,000) per annum. The Department for Local Government shall notify the appropriate governing bodies charged by law to fix the compensation of the above elected officials of the annual rate of compensation to which the elected officials are entitled pursuant to the increase or decrease in the consumer price index. Upon notification from the Department for Local Government, the appropriate governing body may set the annual compensation of the above elected officials at a rate no greater than that stipulated by the Department for Local Government.

(4) The county attorney shall not be prohibited from engaging in the private practice of law.

The Committee Amendment No. 1 to **HB 526** is as follows:

On page 1, lines 20 to 25, by deleting same and inserting in lieu thereof the following:

"(6) Each ***full-time*** Commonwealth's attorney of the state shall be paid each month the sum of ***one thousand dollars ($1,000) and each part-time Commonwealth's attorney shall be paid each month the sum of*** five hundred dollars ($500), which ***sums are***[~~sum is~~] declared to be the equivalent of the minimum ***sums***[~~sum~~] that each Commonwealth's attorney will expend each month in the performance of his official duties directed to be performed for the Commonwealth. The aforementioned sum shall be paid out of the State Treasury."

HB 531, AN ACT relating to bank franchise tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 136.500 is amended to read as follows:

As used in KRS 136.500 to 136.575, unless the context requires otherwise:

(1) "Billing address" means the location indicated in the books and records of the financial institution, on the first day of the taxable year or the date in the taxable year when the customer relationship began, as the address where any notice, statement, or bill relating to a customer's account is mailed;

(2) "Borrower located in this state" means a borrower, other than a credit card holder, that is engaged in a trade or business that maintains its commercial domicile in this state or a borrower that is not engaged in a trade or business;

(3) "Credit card holder located in this state" means a credit card holder whose billing address is in this state;

(4) "Cabinet" means the Revenue Cabinet;

(5) "Commercial domicile" means:

  (a) The location from which the trade or business is principally managed and directed; or

  (b) The state of the United States or the District of Columbia from which the financial institution's trade or business in the United States is principally managed and directed, if a financial institution is organized under the laws of a foreign country, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

It shall be presumed, subject to rebuttal, that the location from which the financial institution's trade or business is principally managed and directed is the state of the United States or the District of Columbia to which the greatest number of employees are regularly connected or out of which they are working, irrespective of where the services of the employees are performed, as of the last day of the taxable year;

(6) "Compensation" means wages, salaries, commissions, and any other form of remuneration paid to employees for personal services that are included in the employee's gross income under the Internal Revenue Code. In the case of employees not subject to the Internal Revenue Code, the determination of whether the payments would constitute gross income to the employees under the Internal Revenue Code shall be made as though the employees were subject to the Internal Revenue Code;

(7) "Credit card" means credit, travel, or entertainment card;

(8) "Credit card issuer's reimbursement fee" means the fee a financial institution receives from a merchant's bank because one of the persons to whom the financial institution has issued a credit card has charged merchandise or services to the credit card;

(9) "Employee" means, with respect to a particular financial institution, "employee" as defined in Section 3121(d) of the Internal Revenue Code;

(10) "Financial institution" means:

(a) A national bank organized as a body corporate and existing or in the process of organizing as a national bank association pursuant to the provisions of the National Bank Act, 12 U.S.C. secs. 21 et seq., in effect on December 31, 1997, exclusive of any amendments made subsequent to that date;

(b) Any bank or trust company incorporated or organized under the laws of any state, except a banker's bank organized under KRS 287.135;

(c) Any corporation organized under the provisions of 12 U.S.C. secs. 611 to 631, in effect on December 31, 1997, exclusive of any amendments made subsequent to that date, or any corporation organized after December 31, 1997, that meets the requirements of 12 U.S.C. secs. 611 to 631, in effect on December 31, 1997; or

(d) Any agency or branch of a foreign depository as defined in 12 U.S.C. sec. 3101, in effect on December 31, 1997, exclusive of any amendments made subsequent to that date, or any agency or branch of a foreign depository established after December 31, 1997, that meets the requirements of 12 U.S.C. sec. 3101 in effect on December 31, 1997;

(11) "Gross rents" means the actual sum of money or other consideration payable for the use or possession of property.

(a) "Gross rents" includes, but is not limited to:

1. Any amount payable for the use or possession of real property or tangible property, whether designated as a fixed sum of money or as a percentage of receipts, profits, or otherwise;

2. Any amount payable as additional rent or in lieu of rent, such as interest, taxes, insurance, repairs, or any other amount required to be paid by the terms of a lease or other arrangement; and

3. A proportionate part of the cost of any improvement to real property made by or on behalf of the financial institution which reverts to the owner or lessor upon termination of a lease or other arrangement. The amount to be included in gross rents is the amount of amortization or depreciation allowed in computing the taxable income base for the taxable year. However, where a building is erected on leased land by or on behalf of the financial institution, the value of the land is determined by multiplying the gross rent by eight (8) and the value of the building is determined in the same manner as if owned by the financial institution;

(b) The following are not included in the term "gross rents":

1. Reasonable amounts payable as separate charges for water and electric service furnished by the lessor;

2. Reasonable amounts payable as service charges for janitorial services furnished by the lessor;

3. Reasonable amounts payable for storage, if these amounts are payable for space not designated and not under the control of the financial institution; and

4. That portion of any rental payment which is applicable to the space subleased from the financial institution and not used by it;

(12) "Internal Revenue Code" means the Internal Revenue Code, Title 26 U.S.C., in effect on December 31, ***2001***~~[1997]~~, exclusive of any amendments made subsequent to that date;

(13) "Loan" means any extension of credit resulting from direct negotiations between the financial institution and its customer, and the purchase, in whole or in part, of the extension of credit from another. Loans include participations, syndications, and leases treated as loans for federal income tax purposes. Loans shall not include properties treated as loans under Section 595 of the Internal Revenue Code, futures or forward contracts, options, notional principal contracts such as swaps, credit card receivables, including purchased credit card relationships, noninterest-bearing balances due from depository institutions, cash items in the process of collection, federal funds sold, securities purchased under agreements to resell, assets held in a trading account, securities, interests in a real estate mortgage investment company, or other mortgage-backed or asset-backed security, and other similar items;

(14) "Loan secured by real property" means a loan or other obligation for which fifty percent (50%) or more of the aggregate value of the collateral used to secure the loan or other obligation, when valued at fair market value as of the time the original loan or obligation was incurred, was real property;

(15) "Merchant discount" means the fee or negotiated discount charged to a merchant by the financial institution for the privilege of participating in a program where a credit card is accepted in payment for merchandise or services sold to the card holder;

(16) "Person" means an individual, estate, trust, partnership, corporation, limited liability company, or any other business entity;

(17) "Principal base of operations" means:

(a) With respect to transportation property, the place from which the property is regularly directed or controlled; and

(b) With respect to an employee:

1. The place the employee regularly starts work and to which the employee customarily returns in order to receive instructions from his or her employer; or
2. If the place referred to in subparagraph 1. of this paragraph does not exist, the place the employee regularly communicates with customers or other persons; or
3. If the place referred to in subparagraph 2. of this paragraph does not exist, the place the employee regularly performs any other functions necessary to the exercise of the employee's trade or profession at some other point or points;

(18) "Real property owned" and "tangible personal property owned" mean real and tangible personal property, respectively, on which the financial institution may claim depreciation for federal income tax purposes, or property to which the financial institution holds legal title and on which no other person may claim depreciation for federal income tax purposes or could claim depreciation if subject to federal income tax. Real and tangible personal property do not include coin, currency, or property acquired in lieu of or pursuant to a foreclosure;

(19) "Regular place of business" means an office at which the financial institution carries on its business in a regular and systematic manner and which is continuously maintained, occupied, and used by employees of the financial institution;

(20) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any foreign country;

(21) "Syndication" means an extension of credit in which two (2) or more persons fund and each person is at risk only up to a specified percentage of the total extension of credit or up to a specified dollar amount;

(22) "Taxable year" means calendar year 1996 and every calendar year thereafter;

(23) "Transportation property" means vehicles and vessels capable of moving under their own power, such as aircraft, trains, water vessels, and motor vehicles, as well as any equipment or containers attached to the property, such as rolling stock, barges, or trailers;

(24) "United States obligations" means all obligations of the United States exempt from taxation under 31 U.S.C. sec. 3124(a) or exempt under the United States Constitution or any federal statute, including the obligations of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States Constitution or any statute of the United States; and

(25) "Kentucky obligations" means all obligations of the Commonwealth of Kentucky, its counties, municipalities, taxing districts, and school districts, exempt from taxation under the Kentucky Revised Statutes and the Constitution of Kentucky.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions and Communications

Representative Stumbo moved to suspend the rules to allow for Rules Committee Report. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 40, HB 351, HB 357, HB 400,** and **HB 549** have been posted for passage in the Orders of the Day for February 13, 2002.

Orders of the Day

HB 313 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Geveden moved that **HB 313** be passed.

On the roll call the vote was: **Yeas 84, Nays 5**. (See February 12, 2002, roll call on **HB 313** - Appendix.)

HB 313 was passed and the title agreed to.

Representative Geveden moved that the vote by which **HB 313** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 87, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Graham moved the adoption of the Committee Substitute to **HB 87**. Agreed.

Representative Graham moved that **HB 87**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 12, 2002, roll call on **HB 87** - Appendix.)

HB 87, by way of Committee Substitute, was passed and the title agreed to.

Representative Graham moved that the vote by which **HB 87**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 329, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Miller moved the adoption of the Committee Substitute to **HB 329**. Agreed.

Representative Miller moved that **HB 329**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 12, 2002, roll call on **HB 329** - Appendix.)

HB 329, by way of Committee Substitute, was passed and the title agreed to.

Representative Miller moved that the vote by which **HB 329**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 333, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McKee moved the adoption of the Committee Substitute to **HB 333**. Agreed.

Representative McKee moved that **HB 333**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 90, Nays 0**. (See February 12, 2002, roll call on **HB 333** - Appendix.)

HB 333, by way of Committee Substitute, was passed and the title agreed to.

Representative McKee moved that the vote by which **HB 333**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 344, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Adams moved the adoption of the Committee Substitute to **HB 344**. Agreed.

Representative J. Adams moved that **HB 344**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 12, 2002, roll call on **HB 344** - Appendix.)

HB 344, by way of Committee Substitute, was passed and the title agreed to.

Representative J. Adams moved that the vote by which **HB 344**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 483 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 483** be passed.

On the roll call the vote was: **Yeas 84, Nays 7**. (See February 12, 2002, roll call on **HB 483** - Appendix.)

HB 483 was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 483** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 484 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Thomas moved that **HB 484** be passed.

On the roll call the vote was: **Yeas 93, Nays 1**. (See February 12, 2002, roll call on **HB 484** - Appendix.)

HB 484 was passed and the title agreed to.

Representative Thomas moved that the vote by which **HB 484** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 235, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Damron moved the adoption of Committee Amendment No. 1 to **HB 235**. Agreed.

Representative Damron moved that **HB 235**, as amended, be passed.

On the roll call the vote was: **Yeas 90, Nays 1**. (See February 12, 2002, roll call on **HB 235** - Appendix.)

HB 235, as amended, was passed and the title agreed to.

Representative Damron moved that the vote by which **HB 235**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report On Enrolled Bills (Continued)

The Committee on Enrollment reported that **HB 23** was delivered to the Senate and signed by the President. Delivered to the Governor on February 12, 2002, at 3:35 p.m.

Orders of the Day (Continued)

HB 174, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved the adoption of the Committee Substitute to **HB 174**. Agreed.

Representative Webb moved that Floor Amendment No. 3 to the Committee Substitute to **HB 174** be adopted. Agreed.

Representative Palumbo moved that Floor Amendment No. 8 to the Committee Substitute to **HB 174** be adopted. Agreed.

Representative Lindsay moved that Floor Amendment No. 10 to the Committee Substitute to **HB 174** be adopted. Agreed.

Representative Hoffman moved that Floor Amendment No. 2 to the Committee Substitute to **HB 174** be adopted. Agreed.

Representative Webb moved that Floor Amendment No. 7 to the Committee Substitute to **HB 174** be adopted. Agreed.

Representative Stumbo moved that **HB 174**, by way of Committee Substitute, as amended, be passed.

Representative Hoover moved that Floor Amendment No. 9 to the Committee Substitute to **HB 174** be adopted.

Representative Adkins inquired whether Floor Amendment No. 9 to the Committee Substitute to **HB 174** was germane.

The Speaker ruled that Floor Amendment No. 9 to the Committee Substitute to **HB 174** was germane.

Representative Hoover moved the adoption of Floor Amendment No. 9 to the Committee Substitute to **HB 174**.

On the roll call the vote was: **Yeas 32, Nays 58**. (See February 12, 2002, roll call on **HB 174** - Appendix.)

Floor Amendment No. 9 to the Committee Substitute to **HB 174**, was rejected.

Representative C. Belcher moved the adoption of Floor Amendment No. 14 to the Committee Substitute to **HB 174**.

On the roll call the vote was: **Yeas 31, Nays 63**. (See February 12, 2002, roll call on **HB 174** - Appendix.)

Floor Amendment No. 14 to the Committee Substitute to **HB 174**, was rejected.

Representative Damron moved the adoption of Floor Amendment No. 6 to the Committee Substitute to **HB 174**.

On the roll call the vote was: **Yeas 60, Nays 26**. (See February 12, 2002, roll call on **HB 174** - Appendix.)

Floor Amendment No. 6 to the Committee Substitute to **HB 174**, was adopted.

The Speaker Pro Tem assumed the Chair.

The Speaker resumed the Chair.

Representative Allen inquired whether **HB 174** was a revenue providing bill requiring 51 votes to pass.

The Speaker ruled **HB 174** does not require 51 votes.

On the roll call on the passage of **HB 174** by way of Committee Substitute, as amended, the vote was: **Yeas 47, Nays 47**. (See February 12, 2002, roll call on **HB 174** - Appendix.)

HB 174, by way of Committee Substitute, as amended, was defeated.

Representative Barrows moved that the vote be reconsidered because a malfunction in the electrical voting system resulting in his vote not being recorded.

Representative Hoover inquired whether Representative Barrows had voted on the prevailing side on **HB 174**.

The Speaker ruled that according to House Rules Representative Barrows had voted on the prevailing side on **HB 174**.

Representative Baugh inquired which side was the prevailing side and if the member who seconded the motion was on the prevailing side.

The Speaker ruled that Representative Riggs, who seconded the motion, is recorded as not voting on **HB 174** and in accordance with House Rule 14 is considered to have voted on the prevailing side.

On the roll call on the motion to reconsider the vote on **HB 174** the vote was: **Yeas 60, Nays 34**. (See February 12, 2002, roll call on the motion that the vote by which **HB 174** was defeated be reconsidered - Appendix.)

The motion that the vote by which **HB 174** was defeated be reconsidered was adopted.

Representative Stumbo moved that **HB 174**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 49, Nays 47**. (See February 12, 2002, roll call on **HB 174** - Appendix.)

HB 174, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 174**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for Introductions of Bills and Committee Reports. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 652, by Representative Stein: AN ACT relating to crimes and punishments.

HB 653, by Representatives Richards, Stacy, Adkins, Pullin, Webb, Denham, C. Belcher, and A. Arnold: AN ACT relating to education networks that promote access to postsecondary education.

HB 654, by Representatives Denham, Thomas, J. Adams, Gooch, McKee, Bruce, Comer, Thompson, Wilkey, Cherry, Buckingham, and Baugh: AN ACT relating to the promotion of agritourism.

HB 655, by Representative Haydon: AN ACT relating to the towing and storage of vehicles.

HCR 129, by Representatives Coleman, Weaver, L. Clark, and Miller: A CONCURRENT RESOLUTION establishing the Immigrant Driver's Licensing Task Force.

HCR 130, by Representatives Weaver, Coleman, L. Clark, and Miller: A CONCURRENT RESOLUTION urging the United States Congress to address the problem of illegal immigration.

HR 131, by Representative Scott: A RESOLUTION recognizing the Commonwealth's forest products industry and commending the adoption of the Sustainable Forestry Initiative Program.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills have been posted for Committee consideration:

Economic Development: **HB 542**

Elections, Constitutional Amendments and Intergovernmental Affairs: **HB 611**

Motions, Petitions, and Communications (Continued)

Representative J. Arnold moved the adoption of the following **Legislative Citation No. 37**.

It is the intent of the House of Representatives of the Commonwealth of Kentucky to hereby adjourn this legislative day in reverent memory of Kenneth Gordon Price and to respectfully join with Representative John A. Arnold, Jr., in expressing its deepest sympathy to the Price Family and to all who share in the loss of this remarkable gentleman, the beloved husband of Joyce Price and the loving brother of Wayne Price. This esteemed citizen is remembered on this day as a devoted family man, a farmer and a highly-respected school bus driver who labored in this most vital capacity for fifty-three years. Kenneth Price will long be remembered for the many contributions he made to his family, friends and community and will be deeply missed by all those whose lives were touched by his remarkable presence. Done in Frankfort, this twelfth day of February, in the year two thousand and two.

Legislative Citation No. 37 was adopted without objection.

Representative Moberly moved the adoption of the following **Legislative Citation No. 38**.

The House of Representatives of the Commonwealth of Kentucky hereby expresses congratulations to the most recent members of Leadership Madison County as they visit the Chambers of the Kentucky House of Representatives to view a day of the Regular Session of the 2002 General Assembly. Inasmuch as this exceptional leadership program develops high caliber citizens who are well-informed about the quality of life and the infrastructure of their communities and is a vital link in promoting the overall success of the communities within this fine Commonwealth, this honorable body is pleased to join Representative Harry Moberly in extending a hearty welcome to these distinguished individuals and in commending them upon being selected to participate in this most prestigious leadership program. Done in Frankfort, Kentucky, this twelfth day of February, in the year two thousand and two.

Legislative Citation No. 38 was adopted without objection.

Representative Stumbo moved to waive the posting requirement on **HB 280**. Agreed.

Representative Barrows moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 333**. Agreed.

Representative Walton moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Walton moved that his vote be changed from "nay" to "yea" on **HB 313**. Agreed.

Representative P. Clark moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative P. Clark moved that he be recorded as voting "yea" on **HB 333**. Agreed.

Representative Crenshaw moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Crenshaw moved that he be recorded as voting "yea" on **HB 146, HB 412, HB 349, HB 449, HB 154, HB 293, HB 191, HB 456, HB 522, HB 532** and **HJR 30**. Agreed.

Representative Geveden moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Geveden moved that he be recorded as voting "yea" on **HB 453, HB 341, HB 394, HB 430, HB 464, HB 477, HB 548, HJR 24,** and **HCR 43**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 4 to the House Committee Substitute to **SCR 17**, by Representative Baugh:

On page 2, line 3, after "University," by inserting "a representative of Kentucky's area development districts, a representative of the Kentucky Rural Water Association,".

Floor Amendment No. 15 to the Committee Substitute to **HB 174**, by Representative Gooch:

On page 5 insert after line 3:

"***(4) Beginning on January 1, 2003, every newspaper publisher that publishes a newspaper with a circulation greater than ten thousand (10,000) copies daily and a statewide circulation shall pay to the Revenue Cabinet on a monthly basis an environmental impact fee of one half cent ($0.005) on each page of newspaper printed and published, exclusive of paid advertising insertions.***"; and

On page 5, line 4 delete "***(4)***" and insert "***(5)***" in lieu thereof; and

On page 5, line 8 delete "***(5)***" and insert "***(6)***" in lieu thereof; and

On page 5, line 18 delete "***(6)***" and insert "***(7)***" in lieu thereof; and

On page 5, line 26, delete "***(7)***" and insert "***(8)***" in lieu thereof.

Floor Amendment No. 3 to **HB 452**, by Representative Wilkey:

On page 1, from line 4 through 5, delete "***A late fee of twenty-five dollars ($25) will be assessed if all court costs and fees are not paid within seven (7) days of sentencing.***";

On page 1, line 9 delete "***, upon motion of the defendant,***";

On page 1, from line 12 through 15, delete "***. These findings shall not be made until a hearing has been held and the court determines that the defendant is able to meet the standards set forth in KRS 534.060(2) and will be unable to pay court costs at any time in the foreseeable future***";

On page 1, line 20 delete "***within seven (7) days***" and insert in lieu thereof "***at the time***";

On page 1, line 21, after "***court***" insert "***shall establish a show cause date by which time the court costs, fees, and fines shall be paid and***";

On page 1, line 23, delete "***of no less than fifty dollars ($50)***" and insert in lieu thereof "***as established by the court***";

On page 3, line 12 through page 5, line 16 delete Section 4 in its entirety and insert in lieu thereof the following: "Section 1. KRS 24A.175 is amended to read as follows:

(1) Court costs for a criminal case in the District Court shall be ***one hundred dollars ($100), regardless of whether the offense is one for which prepayment is permitted***[~~:~~

~~(a) For an offense for which prepayment is permitted~~
~~and for which prepayment has been made prior to~~
~~trial as required by law .... $49.00~~
~~(b) For an offense for which prepayment is not permitted or~~
~~has not been made .... $74.00~~
~~(c) Court costs designated in paragraph (b) of this subsection shall include the fee mandated by KRS 346.185~~].

(2) There shall be no court costs for a parking citation when:

(a) The fine is paid to the clerk before the trial date in the same manner as provided for speeding citations under KRS 189.394(3); and

(b) The citation does not involve parking in a fire lane or blocking the traveled portion of the highway.

(3) [~~Additional costs shall be assessed in District Court criminal matters as follows:~~

~~(a) Preparing an attestation~~ .... ~~$0.50~~

~~(b) Preparing a certification~~ .... ~~$1.00~~

~~(c) Preparing a copy of a document (per page)~~ .... ~~$0.25~~

~~(4)~~]***The*** taxation of ***court*** costs against a defendant, upon conviction ***in a case***, including persons sentenced to state traffic school as provided under KRS 186.574, shall be mandatory and shall not be ***subject to probation, suspension, proration, deduction, or other form of nonimposition in the terms of a plea bargain or otherwise, unless the court finds that the defendant is a poor person as defined by KRS 453.190(2) and that he or she is unable to pay court costs and will be unable to pay the court costs in the foreseeable future***[~~probated or suspended~~].

(4)[~~(5)~~] ***If the court finds that the defendant does not meet the standard articulated in subsection (3) of this section and that the defendant is nonetheless unable to pay the full amount of the court costs, fees, and fines at the time of sentencing, then the court shall establish a show cause date by which time court costs, fees, and fines shall be paid and may establish an installment payment plan whereby the defendant pays the full amount of the court costs, fees, and fines to the circuit clerk in installments as established by the court. The court costs, fees, and fines under the installment plan shall be paid within one (1) year of the date of sentencing notwithstanding any remaining restitution or other monetary penalty owed by the defendant and arising out of the conviction. Installment payments will be applied first to court costs, then to fees, and then to fines***[~~The circuit clerk shall, at the time fines and costs are paid over to the state, pay five dollars ($5) from each court cost collected pursuant to subsection (1) of this section to the county treasurer for use by the fiscal court for the sole purpose of defraying the costs of operation of the county jail and the transportation of prisoners and shall include among his reports to the Administrative Office of the Courts the amounts paid to the county.~~

~~(6) The circuit clerk shall, at the time fines and costs are paid over to the state, pay ten dollars ($10) from each court cost collected pursuant to subsection (1) of this section to the State Treasury for the benefit and use of the Kentucky Local Correctional Facilities Construction Authority pursuant to KRS 441.625 to 441.695.~~

~~(7) The circuit clerk shall monthly pay twelve dollars ($12) from each court cost collected pursuant to subsection (1) of this section to the sheriff for use by the sheriff for providing security services and related activities to the court as provided for in KRS 64.092. The clerk shall include among his reports to the Administrative Office of the Courts the amounts paid to the sheriff~~].";

On page 8, line 18 through page 10, line 4, delete Section 9 in its entirety in insert in lieu thereof the following "SECTION 9. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established the court cost distribution fund, which is created to provide a central account into which the court costs collected by all circuit clerks, under subsection (1) of Section 1 of this Act and subsection (1) of Section 4 of this Act, shall be paid.

(2) The fund shall be administered by the Finance and Administration Cabinet, which shall make monthly disbursements from the fund according to the following schedule:

(a) Forty-nine percent (49%) of each court cost shall be paid into the general fund;

(b) Ten and eight-tenths percent (10.8%) of each court cost shall be paid into the State Treasury for the benefit and use of the Kentucky Local Correctional Facilities Construction Authority under KRS 441.605 to 441.695;

(c) Six and one-half percent (6.5%) of each court cost shall be paid into the spinal cord and head injury research trust fund created in KRS 211.504;

(d) Five and one-half percent (5.5%) of each court cost shall be paid into the traumatic brain injury trust fund created in KRS 211.476;

(e) Five percent (5%) of each court cost shall be paid into a trust and agency account with the Administrative Office of the Courts and is to be used by the circuit clerks to hire additional deputy clerks and to enhance deputy clerk salaries;

(f) Three and one-half percent (3.5%) of each court cost shall be paid to a special trust and agency account that shall not lapse for the Department of Public Advocacy;

(g) Three and four-tenths percent (3.4%) of each court cost shall be paid into the crime victims' compensation fund created in KRS 346.185;

(h) Seven-tenths of one percent (0.7%) of each court cost shall be paid to the Justice Cabinet to defray the costs of conducting record checks on prospective firearms purchasers pursuant to the Brady Handgun Violence Prevention Act and for the collection, testing, and storing of DNA samples;

(i) Ten and one-tenth percent (10.1%) of each court cost deposited in the fund shall be paid to the county sheriff in the county from which the court cost was received; and

(j) Five and one-half percent (5.5%) of each court cost deposited in the fund shall be paid to the county treasurer

in the county from which the court cost was received and shall be used by the fiscal court in that county for the purposes of defraying the costs of operation of the county jail and the transportation of prisoners.

(3) Any moneys remaining in the fund after the monthly disbursements in subsection (2) of this section shall be paid into the general fund.";

On page 40, line 16 delete "*(f)*" and insert in lieu thereof "*(g)*";

On page 41, line 10 through page 42, line 16, delete Section 27 in its entirety and insert in lieu thereof the following "Section 27. KRS 431.100 is amended to read as follows:

(1) ***When a money judgment is entered against a defendant in a criminal proceeding and each sum, or any part thereof, remains unpaid, there shall be withheld from any disbursement, payment, benefit, compensation, salary, or other transfer of money from the Commonwealth of Kentucky to such defendant an amount equal to the unpaid amount of the judgment. Under no circumstances shall the general fund be used to reimburse court costs or pay for judgment.***

(2) Except as provided in this section, all fines and forfeitures imposed by law or ordinance shall inure to and vest in the Commonwealth.

(3)[~~(2)~~] Fines and forfeitures imposed by law for violation of KRS 222.202 or ordinances relating to similar subject matter shall inure to and vest in the Commonwealth and shall be placed in a special fund in the State Treasury, which shall not lapse, and which, effective July 1, 1987, shall be used solely by the Cabinet for Health Services for the provision of treatment and counseling programs for alcoholics.

[~~(3) Fines for violation of KRS 512.070 shall be transferred by the circuit clerk to the county treasurer for inclusion in the general fund of the county in which the offense occurs.~~]

(4) [~~Court costs assessed pursuant to KRS 610.360 shall be placed in a trust and agency account in the State Treasury which shall be subject to appropriation by the General Assembly for the purposes of providing services and programs and for matching funds for grants for providing services and programs to juvenile public offenders.~~

~~(5)~~]The court shall not order a fine, forfeiture, service fee, cost, or any other money due the ***Commonwealth***[~~state~~] or any other public officer paid to any person or organization other than one specifically required by ***the Kentucky Revised Statutes,***[~~statute~~] nor shall a court suspend payment of a fine, forfeiture, service fee, cost, or any other money due the ***Commonwealth***[~~state~~] if the defendant makes a payment to another person or organization***, unless so authorized by the court and the Kentucky Revised Statutes.***

(5) When, as authorized in the Kentucky Revised Statutes, a court does order a fine, forfeiture, service fee, cost, or any other monetary penalty to be paid to a person other than the circuit clerk, notice of this order will be served on the defendant and a copy of the order will be delivered to the person. Such an order constitutes a judgment of the court and carries with it all lawful means of enforcement and collection.";

On page 47, line 21 delete "***within seven (7) days***" and insert in lieu thereof "***at the time***";

On page 47, line 22 delete "***40, and 41 of this Act,***" and insert in lieu thereof "***and 40 of this Act and KRS 534.060***";

On page 61, from line 20 through page 62, line 6 delete Section 40 in its entirety and insert in lieu thereof the following "Section 2. KRS 534.020 is amended to read as follows:

(1) When a defendant is sentenced to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If no such provision is made a part of the sentence, ***then*** the fine shall be payable forthwith.

(2) When a defendant is sentenced to pay a fine, an alternative sentence of imprisonment that is to be served in the event the fine is not paid shall not be imposed at the same time. The response of a court to nonpayment of a fine shall be determined only after the fine has not been paid, and[~~ only~~] as provided in ***Section 4 of this Act or*** KRS 534.060.";

On page 62, from line 7 through page 63, line 19, delete Section 41 in its entirety; and

By renumbering subsequent sections accordingly.

Floor Amendment No. 1 to the Committee Substitute to **HB 545**, by Representative Wayne:

On page 5, line 17, after "***KRS 42.010***" by inserting "***, with the assistance of the Kentucky Employee Assistance Program,***"; and

On page 10, line 22, by deleting the language "***A mental health professional***" and substituting "***A representative of the Kentucky Employee Assistance Program (KEAP)***" in lieu thereof.

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 265, Representative Nelson

HB 313, Representative Denham

HB 354, Representatives Bather, L. Clark, McKee, and Smith

HB 374, Representative Bratcher

HB 385, Representatives Ford and Mobley

HB 439, Representative Colter

HB 454, Representatives Brinkman and Stewart

HB 484, Representative Riggs

HB 496, Representative Riggs

HB 553, Representative Draud

HB 584, Representative Horlander

HB 644, Representatives Bruce, Dw. Butler, and Yonts.

HR 109, Representative C. Belcher

Announcements

The following meetings were announced:

Administrative Regulation Review Subcommittee: Wednesday, February 13, 2002, Noon, Room 149

Budget Review Subcommittee on Transportation: Wednesday, February 13, 2002, 10 a.m.

Transportation: No meeting Thursday

Licensing and Occupations: Wednesday, February 13, 2002, Noon, Room 131

Tourism: No meeting Wednesday

Budget Review Subcommittee on Justice: Wednesday, February 13, 2002, 10 a.m.

Judiciary: Noon, Room 129

Local Government: No meeting upon adjournment, will meet Thursday, February 14, 2002, 8 a.m.

Budget Review Subcommittee on Natural Resources and Environment: Wednesday, February 13, 2002, 10 a.m., Room 113

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., on Wednesday, February 13, 2002.

The motion that the House adjourn until 2:00 p.m., Wednesday, February 13, 2002, was adopted by voice vote.

WEDNESDAY, FEBRUARY 13, 2002

TWENTY-SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend Alan Sorem, South Frankfort Presbyterian Church, Frankfort, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Collins and J. Turner.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of February 12, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Senate Message

Announced passage of **SB 31** and **SB 136**. (Time 2:00 p.m.)

Introduction of Bills and Resolutions

HB 656, by Representatives Webb and Gray: AN ACT relating to workers' compensation.

HB 657, by Representatives Richards, Stumbo, Barrows, L. Clark, Callahan, and Moberly: AN ACT relating to making appropriations for operations, maintenance, and support of the legislative branch of the Commonwealth of Kentucky.

HB 658, by Representatives Richards, Stumbo, L. Clark, Callahan, Barrows, and Moberly: AN ACT making appropriations for the operations, maintenance, support and functioning of the judicial branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state supported activities.

HB 659, by Representative L. Clark: AN ACT relating to consolidated local governments.

HB 660, by Representative Baugh: AN ACT relating to health insurance.

HB 661, by Representative Tapp: AN ACT relating to county coroners.

HCR 132, by Representative Hoffman: A CONCURRENT RESOLUTION to study how best to implement a disaster relief funding program for the Commonwealth, its local governments, and citizens.

HJR 133, by Representatives Richards, Stumbo, Barrows, L. Clark, Callahan, and Moberly: A JOINT RESOLUTION relating to the budget process and declaring an emergency.

HJR 134, by Representatives Richards, Stumbo, L. Clark, Barrows, Callahan, and Moberly: A JOINT RESOLUTION relating to the budget process and declaring an emergency.

HR 135, by Representative Westrom: A RESOLUTION memorializing First Lieutenant William Blake Satterly.

HCR 136, by Representative Yonts: A CONCURRENT RESOLUTION creating the Medical Malpractice Insurance Task Force.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 654**

Appropriations and Revenue: **HB 646, HCR 127**

Banking and Insurance: **HB 649**

Education: **HB 653**

Health and Welfare: **HB 645**

Judiciary: **HB 644, 651, 652, 655**

Labor and Industry: **HCR 130**

Local Government: **HB 650**

Seniors, Military Affairs and Public Safety: **HB 647**

State Government: **HB 643, 648**

Transportation: **HCR 129**

House Floor: **HR 126, 128, 131**

Report of Committees

The Committee on Rules reported that **HB 73, HB 247, HB 367,** and **SCR 17** have been posted for passage in the Orders of the Day for February 14, 2002.

The Committee on Education reported **HB 443,** with Committee Substitute and Committee Amendment attached thereto, **HB 595, HB 621, HJR 25, HCR 52, HCR 53, HCR 54, HCR 55, HCR 57, HCR 58, HCR 59,** and **HCR 69,** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 443, AN ACT relating to teacher transfers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.395 is amended to read as follows:

Notwithstanding any other statute to the contrary, a local board of education shall provide a public school teacher who has attained certification from the National Board for Professional Teaching Standards as of July 14, 2000, or thereafter with an annual national board certification salary supplement of two thousand dollars ($2,000) for the life of the certificate. The supplement shall be added to the teacher's base salary on the local board's single salary schedule and shall be considered in the calculation for contributions to the Kentucky Teachers' Retirement System. If a nationally certified teacher becomes no longer employed as a classroom teacher or a teacher mentor in the field of ***the teacher's***[~~his or her~~] national certification, the supplement shall cease. ***A local board of education shall not deny a teacher who has attained certification from the National Board for Professional Teaching Standards the salary supplement specified in this section by transferring the teacher out of the teacher's field of national certification.*** A local board of education shall request reimbursement for these purposes from the fund to support education excellence described in KRS 157.330.

The Committee Substitute to **HB 443** is as follows:

HB 443, AN ACT relating to teacher transfers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.395 is amended to read as follows:

Notwithstanding any other statute to the contrary, a local board of education shall provide a public school teacher who has attained certification from the National Board for Professional Teaching Standards as of July 14, 2000, or thereafter with an annual national board certification salary supplement of two thousand dollars ($2,000) for the life of the certificate. The supplement shall be added to the teacher's base salary on the local board's single salary schedule and shall be considered in the calculation for contributions to the Kentucky Teachers' Retirement System. ***The salary supplement shall continue unless the national board certified teacher is no longer employed as a classroom teacher or teacher mentor***[~~If a nationally certified teacher becomes no longer employed as a classroom teacher or a teacher mentor in the field of his or her national certification, the supplement shall cease~~]. A local board of education shall request reimbursement for these purposes from the fund to support education excellence described in KRS 157.330.

The Committee Amendment No. 1 Title to **HB 443** is as follows:

Amend the title to read "AN ACT relating to the National Board for Professional Teaching Standards.".

HB 595, AN ACT relating to voluntary criminal history checks at nonpublic schools.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

(1) (a) Beginning with the 2002-2003 school year, a private, parochial, or church school that has voluntarily been certified by the Kentucky Board of Education in accordance with the provisions of KRS 156.160(3) may require a national and state criminal background check on all new certified hires in the school and student teachers assigned to the school. Certified individuals who were employed in another certified position in a Kentucky school within six (6) months of the date of the hire and who had previously submitted to a national and state criminal background check for previous employment may be excluded from further national or state criminal background checks.

(b) The national criminal history background check shall be conducted by the Federal Bureau of Investigation. The state criminal history background check shall be conducted by the Kentucky State Police or the Administrative Office of the Courts.

(c) All fingerprints requested under this section shall be on an applicant fingerprint card provided by the Kentucky State Police. The fingerprint cards shall be forwarded to the Federal Bureau of Investigation by the Kentucky State Police after a state criminal background check has been conducted. The results of the state and federal criminal background check shall be sent to the hiring school. Any fee charged by the Kentucky State Police, the Administrative Office of the Courts, or the Federal Bureau of Investigation shall be an amount no greater than the actual cost of processing the request and conducting the search.

(2) If a school requires a criminal background check for a new hire, the school shall conspicuously include the following disclosure statement on each application or renewal form provided by the employer to an applicant for a certified position: "STATE LAW AUTHORIZES THIS SCHOOL TO REQUIRE A CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF EMPLOYMENT FOR THIS TYPE OF POSITION."

HB 621, AN ACT relating to school assessment and accountability.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.6453 is amended to read as follows:

(1) The Kentucky Board of Education shall be responsible for creating and implementing a statewide assessment program to be known as the Commonwealth Accountability Testing System to ensure school accountability for student achievement of the goals set forth in KRS 158.645 and 158.6451. The board shall seek the advice of the Office of Education Accountability; the School Curriculum, Assessment, and Accountability Council; and the National Technical Advisory Panel on Assessment and Accountability in the development of the program. The statewide assessment program shall not include measurement of a student's ability to become a self-sufficient individual or to become a responsible member of a family, work group, or community.

(2) The assessment program shall include the following components:

(a) A customized or commercially available norm-referenced test that measures, to the extent possible, the core content for assessment. The test shall provide valid and reliable results for individual students;

(b) Open-response or multiple-choice items, or both, to assess student skills in reading, mathematics, science, social studies, the arts, the humanities, and practical living and vocational studies; and an on-demand assessment of student writing. These assessments shall measure, to the extent possible, the core content for assessment;

(c) Writing portfolios consisting of samples of student work. After receiving the advice of the Writing Advisory Committee, the Kentucky Board of Education shall, by September 1 following April 14, 1998, file a notice of intent to promulgate an administrative regulation which reduces the teacher and student time involved in preparing a writing portfolio. Time reduction strategies included in the administrative regulation may include, but are not limited to, limiting the time spent on a single portfolio entry, limiting the number of revisions, or collecting entries at different grade levels;

(d) Performance assessment events for schools that have students enrolled in performing arts organizations sponsoring sanctioned events with an established protocol for adjudication; and

(e) A technically sound longitudinal comparison of the assessment results for the same students.

(3) Kentucky teachers shall have a significant role in the design of the assessments. The assessments shall be designed to:

(a) Measure grade appropriate core academic content, basic skills, and higher-order thinking skills and their application. The assessment shall measure the core content for assessment used by the Department of Education during the 1997-98 school year. Any revisions to the core content for assessment shall be developed through a public process involving parents; educators at the elementary, secondary, and postsecondary education levels; professional education advocacy groups and organizations; and business and civic leaders and shall be distributed to all public schools;

(b) Provide valid and reliable scores for schools. If scores are reported for students individually, they shall be valid and reliable; and

(c) Minimize the time spent by teachers and students on assessment.

(4) Results from the state assessment under this section shall be reported to the school districts and schools no later than ***one hundred fifty (150) days following the first day the assessment can be administered***[~~September 15 of the following school year~~].

(5) The Department of Education shall gather information to establish the validity of the assessment and accountability program. It shall develop a biennial plan for validation studies that shall include, but not be limited to, the consistency of student results across multiple measures, the congruence of school scores with documented improvements in instructional practice and the school learning environment, and the potential for all scores to yield fair, consistent, and accurate student performance level and school accountability decisions. Validation activities shall take place in a timely manner and shall include a review of the accuracy of scores assigned to students and schools, as well as of the testing materials. The plan shall be submitted to the Commission by July 1 of the first year of each biennium. A summary of the findings shall be submitted to the Legislative Research Commission by September 1 of the second year of the biennium.

(6) In addition to statewide testing for the purpose of determining school success, the board shall have the responsibility of assisting local school districts and schools in developing and using continuous assessment strategies needed to assure student progress. The continuous assessment shall provide diagnostic information to improve instruction to meet the needs of individual students.

(7) The Kentucky Board of Education, after the Department of Education has received advice from the Office of Education Accountability; the School Curriculum, Assessment, and Accountability Council; and the National Technical Advisory Panel on Assessment and Accountability, shall promulgate an administrative regulation under KRS Chapter 13A to establish the components of a school report card that clearly communicates with parents and the public about school performance. The school report card shall be sent to the parents of the students of the districts, and a summary of the results for the district shall be published in the newspaper with the largest circulation in the county. It shall include, but not be limited to, the following components reported by race, gender, and disability when appropriate:

(a) Student academic achievement, including the results from each of the assessments administered under this section;

(b) Nonacademic achievement, including the school's attendance, retention, dropout rates, and student transition to adult life; and

(c) School learning environment, including measures of parental involvement.

HJR 25, A JOINT RESOLUTION directing the Department of Education to implement study recommendations.

WHEREAS, during the 2001 Interim, the Interim Joint Committee on Education studied the instruction of the principles of economics and the need for promoting economic education in the public schools as required by House Concurrent Resolution 82 of the 2000 session of the General Assembly; and

WHEREAS, the committee adopted its report and recommendations on December 5, 2001, and forwarded the report to the Legislative Research Commission;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Education shall implement the recommendations of the Interim Joint Committee on Education as follows:

(1) The Kentucky Department of Education shall continue to partner with private organizations, public and private colleges and universities, and other public entities to offer meaningful professional development for teachers.

(2) The Kentucky Department of Education shall continue its efforts to develop teacher academies that focus on developing teachers' knowledge and skills in economics and in consumer education.

(3) The Kentucky Department of Education shall maximize the use of its Web site to communicate the professional development and other resources that are available to teachers.

(4) Local schools and teachers shall be encouraged to use some of the local professional development funds to participate in economics and consumer education-related programs conducted by the Kentucky Council on Economic Education and other appropriate providers.

(5) The Professional Growth Fund shall be extended to encourage all teachers' participation in consumer education courses or professional development institutes, not just social studies teachers.

(6) The Department of Education, the Kentucky Council on Economic Education, and other interested parties shall continue collaboration and if funds are made available, the department may choose to contract with the Kentucky Council on Economic Education to carry out coordinating functions in the areas of consumer education for the state.

Section 2. The Department of Education shall report to the Interim Joint Committee on Education on the status of these recommendations prior to October 1, 2002.

HCR 52, A CONCURRENT RESOLUTION confirming the appointment of M. Mark Wasicsko to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint fifteen citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor appointed M. Mark Wasicsko to the Education Professional Standards Board representing deans of colleges of education for a term expiring September 18, 2005; and

WHEREAS, the Senate and the House of Representatives find that Mr. Wasicsko is qualified for reappointment to the Education Professional Standards Board;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of M. Mark Wasicsko to the Education Professional Standards Board for a term expiring September 18, 2005.

Section 2. That the Clerk of the House shall forward a copy of this Resolution and written notification of its adoption, to M. Mark Wasicsko, 5009 Secretariat Drive, Richmond, Kentucky 40475, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 53, A CONCURRENT RESOLUTION confirming the appointment of Thomas James Stull to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint the fifteen (15) citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor has appointed Thomas James Stull as a citizen member of the Education Professional Standards Board representing middle school or secondary teachers for a term expiring September 18, 2003; and

WHEREAS, the Senate and the House of Representatives find that Mr. Stull is qualified to render service;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of Mr. Thomas James Stull to the Education Professional Standards Board for a term expiring September 18, 2003.

Section 2. The Clerk of the House shall forward a copy of this Resolution, and written confirmation of its adoption, to Mr. Thomas James Stull, 705 Meadow Wood Drive #8, Crescent Springs, Kentucky 41017-4622, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 54, A CONCURRENT RESOLUTION confirming the appointment of Joe M. Welch to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint the fifteen (15) citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor has appointed Joe M. Welch as a citizen member of the Education Professional Standards Board representing school administrators for a term expiring September 18, 2005; and

WHEREAS, the Senate and the House of Representatives find that Mr. Welch is qualified to render service;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of Mr. Joe M. Welch to the Education Professional Standards Board for a term expiring September 18, 2005.

Section 2. The Clerk of the House shall forward a copy of this Resolution, and written confirmation of its adoption, to Mr. Joe M. Welch, 10713 Bardstown Woods Boulevard, Louisville, Kentucky 40291, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 55, A CONCURRENT RESOLUTION confirming the appointment of Doris S. Barlow to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint fifteen citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor appointed Ms. Doris S. Barlow as a citizen member of the Education Professional Standards Board representing elementary teachers for a term expiring September 18, 2005; and

WHEREAS, the Senate and the House of Representatives find that Ms. Barlow is qualified for reappointment to the Education Professional Standards Board;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of Ms. Doris S. Barlow to the Education Professional Standards Board for a term expiring September 18, 2005.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and written notification of its adoption, to Ms. Doris S. Barlow, 104 Westwind Boulevard, Madisonville, Kentucky 42431, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky, 40601.

HCR 57, A CONCURRENT RESOLUTION confirming the appointment of Susan Shaffer Guess to the Council on Postsecondary Education.

WHEREAS, KRS 164.011 requires the Governor to appoint the thirteen citizen members of the Council on Postsecondary Education, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 164.011, the Governor has appointed Mrs. Susan Shaffer Guess as a citizen member of the Council on Postsecondary Education for a term expiring December 31, 2007; and

WHEREAS, the Senate and the House of Representatives find that Mrs. Guess meets the requirements of KRS 164.011, being a resident and qualified voter of Kentucky, not holding an official relationship to any institution of higher education in Kentucky, and not engaging in any occupation or business inconsistent with her duties as a member of the Council on Postsecondary Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 164.011, do confirm the appointment of Mrs. Susan Shaffer Guess to the Council on Postsecondary Education for a term expiring December 31, 2007.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and written notification of its adoption, to Mrs. Susan Shaffer Guess, 103 Mt. Moriah Road, Benton, Kentucky 42025, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 58, A CONCURRENT RESOLUTION confirming the appointment of Walter A. Baker to the Council on Postsecondary Education.

WHEREAS, KRS 164.011 requires the Governor to appoint the thirteen (13) citizen members of the Council on Postsecondary Education, subject to confirmation by the Senate and House of Representatives; and

WHEREAS, pursuant to KRS 164.011, the Governor has appointed Mr. Walter A. Baker as a citizen member of the Council on Postsecondary Education for a term expiring December 31, 2007; and

WHEREAS, the Senate and House of Representatives find that Mr. Baker meets the requirements of KRS 164.011, being a resident and qualified voter of Kentucky, not holding an official relationship to any institution of higher education in Kentucky, and not engaging in any occupation or business inconsistent with his duties as a member of the Council on Postsecondary Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 164.011, do confirm the appointment of Mr. Walter A. Baker to the Council on Postsecondary Education for a term expiring December 31, 2007.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and written notification of its adoption, to Mr. Walter A. Baker, 917 South Green Street, Glasgow, Kentucky 42141, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 59, A CONCURRENT RESOLUTION confirming the appointment of Barton D. Darrell to the Council on Postsecondary Education.

WHEREAS, KRS 164.011 requires the Governor to appoint the thirteen citizen members of the Council on Postsecondary Education, subject to the confirmation by the Senate and House of Representatives; and

WHEREAS, pursuant to KRS 164.011, the Governor has appointed Mr. Barton D. Darrell as a citizen member of the Council on Postsecondary Education to fulfill the unexpired term of Philip I. Huddleston, ending December 31, 2003; and

WHEREAS, the Senate and House of Representatives find that Mr. Barton D. Darrell meets the requirements of KRS 164.053 and 164.011, being a resident and qualified voter of Kentucky, not holding an official relationship to any institution of postsecondary education in Kentucky, and not engaging in any occupation or business inconsistent with his duties as a member of the Council on Postsecondary Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Senate and House of Representatives, pursuant to KRS 164.011, do confirm the appointment of Mr. Barton D. Darrell to the Council on Postsecondary Education for a term expiring on December 31, 2003.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and any written notification of its adoption, to Mr. Barton D. Darrell, 1717 Sherwood Drive, Bowling Green, Kentucky 42103 and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

HCR 69, A CONCURRENT RESOLUTION expressing the General Assembly's intent to provide a long-range plan for improving teacher compensation in Kentucky.

WHEREAS, the quality of teaching is the most important variable in student achievement; and

WHEREAS, the General Assembly believes every student is entitled to a caring, competent teacher for every class; and

WHEREAS, an increasing number of teachers with emergency certificates are being employed, as teacher shortages increase in specific content areas and in selected geographic areas; and

WHEREAS, many highly talented individuals are attracted to other professions that have higher rates of compensation and benefits and opportunities for career advancement; and

WHEREAS, Kentucky's current compensation and benefit levels for teachers are not competitive with those of teachers in other states or with those of people employed in other professions; and

WHEREAS, teachers need time for professional development, planning and curriculum development, as well as increased time with students; and

WHEREAS, Kentucky students have fewer instructional days than students in the majority of the states; and

WHEREAS, Kentucky's education assessment and accountability system has high stakes for teachers; and

WHEREAS, teachers provide valuable public service; and

WHEREAS, recruitment and retention of high-quality teachers is essential to the quality of Kentucky schools and opportunities for all students to achieve at high levels;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The General Assembly believes it is in the state's best interest to provide significant increases in the base salary schedule for all teachers over time, as well as opportunities for teachers to earn additional salary through career advancement without leaving the classroom when funds are available.

Section 2. The General Assembly believes that the school year needs to be lengthened with commensurate increases in salary beginning in the 2004-2006 biennium and in subsequent years, if funds are available, as follows:

(a) In 2004-2005, add to the existing one hundred eighty-five (185) day calendar two (2) additional days or the equivalent for instruction and one (1) additional day or the equivalent for professional development, bringing the total school calendar to one hundred eighty-eight (188) days or the equivalent with one hundred seventy-seven (177) days for instruction and five (5) days for professional development, four (4) holidays, one (1) opening day, and one (1) closing day;

(b) In 2005-2006, add two (2) additional days or the equivalent for instruction and one (1) day or its equivalent for professional development, bringing the total school calendar to one hundred ninety-one (191) days or the equivalent with one hundred seventy-nine (179) instructional days, six (6) professional development days, four (4) holidays, one (1) opening day, and one (1) closing day;

(c) In 2006-2007, add one (1) additional day or its equivalent for instruction and one (1) additional day or its equivalent for professional development, bringing the total school calendar to one hundred ninety-three (193) days or the equivalent with one hundred eighty (180) instructional days, seven (7) professional development days, four (4) holidays, one (1) opening day, and one (1) closing day; and

(d) In 2007-2008, add one (1) additional day or its equivalent for professional development, bringing the total school calendar to one hundred ninety-four (194) days or the equivalent with one hundred eighty (180) instructional days, eight (8) professional development days, four (4) holidays, one (1) opening day, and one (1) closing day.

Section 3. The General Assembly intends to continue incentives and salary enhancements for National Board Certified Teachers at the current level during the 2002-2004 biennium and will consider increased salary enhancements in future biennia.

Section 4. The General Assembly's goal is to continue funding for a statewide recruitment plan to increase the supply of teachers and encourage the Kentucky Department of Education to fund local efforts to attract high school students and college students to teaching through teacher clubs and other efforts.

Section 5. In future biennia, the General Assembly intends to:

(a) Consider the feasibility of partially subsidizing dependent care coverage for health insurance plans or other options in order to provide affordable medical insurance for teachers;

(b) Consider the feasibility and desirability of funding administrative aides for special education teachers in local school districts or other resources that would enable a higher retention of highly skilled special education teachers in local schools;

(c) Add additional, required salary cells on the state single salary schedule for teachers' rank and experience to provide significant salary differentials for teachers with more than twenty (20) years' experience;

(d) Increase the salary differentials for all cells on the state single salary schedule; and

(d) Improve incentives for teachers to serve as resource teachers, supervising teachers, and classroom mentors, if funds are available.

The Committee Substitute to **HCR 69** is as follows:

HCR 69, A CONCURRENT RESOLUTION expressing the General Assembly's intent to provide a long-range plan for improving teacher compensation in Kentucky.

WHEREAS, the quality of teaching is the most important variable in student achievement; and

WHEREAS, the General Assembly believes every student is entitled to a caring, competent teacher for every class; and

WHEREAS, an increasing number of teachers with emergency certificates are being employed, as teacher shortages increase in specific content areas and in selected geographic areas; and

WHEREAS, many highly talented individuals are attracted to other professions that have higher rates of compensation and benefits and opportunities for career advancement; and

WHEREAS, Kentucky's current compensation and benefit levels for teachers are not competitive with those of teachers in other states or with those of people employed in other professions; and

WHEREAS, teachers need time for professional development, planning and curriculum development, as well as increased time with students; and

WHEREAS, Kentucky students have fewer instructional days than students in the majority of the states; and

WHEREAS, Kentucky's education assessment and accountability system has high stakes for teachers; and

WHEREAS, teachers provide valuable public service; and

WHEREAS, recruitment and retention of high-quality teachers is essential to the quality of Kentucky schools and opportunities for all students to achieve at high levels;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The General Assembly believes it is in the state's best interest to provide significant increases in the base salary schedule for all teachers over time, as well as opportunities for teachers to earn additional salary through career advancement without leaving the classroom when funds are available.

Section 2. The General Assembly believes that the school year needs to be lengthened with commensurate increases in salary beginning in the 2004-2006 biennium and in subsequent years, if funds are available, as follows:

(a) In 2004-2005, add to the existing one hundred eighty-five (185) day calendar two (2) additional days or the equivalent for instruction and one (1) additional day or the equivalent for professional development, bringing the total school calendar to one hundred eighty-eight (188) days or the equivalent with one hundred seventy-seven (177) days for instruction and five (5) days for professional development, four (4) holidays, one (1) opening day, and one (1) closing day;

(b) In 2005-2006, add two (2) additional days or the equivalent for instruction and one (1) day or its equivalent for professional development, bringing the total school calendar to one hundred ninety-one (191) days or the equivalent with one hundred seventy-nine (179) instructional days, six (6) professional development days, four (4) holidays, one (1) opening day, and one (1) closing day;

(c) In 2006-2007, add one (1) additional day or its equivalent for instruction and one (1) additional day or its equivalent for professional development, bringing the total school calendar to one hundred ninety-three (193) days or the equivalent with one hundred eighty (180) instructional days, seven (7) professional development days, four (4) holidays, one (1) opening day, and one (1) closing day; and

(d) In 2007-2008, add one (1) additional day or its equivalent for professional development, bringing the total school calendar to one hundred ninety-four (194) days or the equivalent with one hundred eighty (180) instructional days, eight (8) professional development days, four (4) holidays, one (1) opening day, and one (1) closing day.

Section 3. The General Assembly intends to continue incentives and salary enhancements for National Board Certified Teachers at the current level during the 2002-2004 biennium and will consider increased salary enhancements in future biennia.

Section 4. The General Assembly's goal is to continue funding for a statewide recruitment plan to increase the supply of teachers and encourage the Kentucky Department of Education to fund local efforts to attract high school students and college students to teaching through teacher clubs and other efforts.

Section 5. In future biennia, the General Assembly intends to:

(a) Consider the feasibility of partially subsidizing dependent care coverage for health insurance plans or other options in order to provide affordable medical insurance for teachers;

(b) Consider the feasibility and desirability of funding administrative aides for special education teachers in local school districts or other resources that would enable a higher retention of highly skilled special education teachers in local schools;

(c) Add additional, required salary cells on the state single salary schedule for teachers' rank and experience to provide significant salary differentials for teachers with more than twenty (20) years' experience;

(d) Increase the salary differentials for all cells on the state single salary schedule;

(e) Improve incentives for teachers to serve as resource teachers, supervising teachers, and classroom mentors, if funds are available; and

(f) Consider designating one (1) of the required professional development days to a parent and teacher conference day.

The Committee on Banking and Insurance reported **HB 165,** with Committee Substitute and Committee Amendment attached thereto, and **HB 280,** with the expression of opinion that the same should pass. Referred to the Committee on Rules.

The Committee Amendment No. 1 to the Committee Substitute to **HB 165** is as follows:

On page 18, line 4, by inserting "[" before "," and striking through the remainder of the line; and

On page 18, line 5, by striking through "by an insurer authorized to write business in this Commonwealth," and by placing "]" after ","; and

On page 18, line 11, after "3." by inserting:

"*Deposited with the commissioner a cash surety bond executed by an insurer authorized to write business in this Commonwealth, which shall be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his or her capacity as an agent, in the sum of one hundred thousand dollars ($100,000); or*

4. *Deposited with the commissioner a cash surety bond executed by an insurer authorized to write business in this Commonwealth, which shall be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his or her capacity as an agent, in the sum of twenty thousand dollars ($20,000) only if the individual transacts insurance:*

a. *Under a limited line credit line of authority; and*

b. *Through a KRS Chapter 288 consumer loan company, which holds no other license issued by the Kentucky Department of Financial Institutions, or through a KRS Chapter 291 industrial loan company, which holds no other license issued by the Kentucky Department of Financial Institutions; or*

5."; and

On page 18, line 11, by placing brackets around and striking through "Had".

The Committee on Banking and Insurance reported **HB 281**, with Committee Amendment attached thereto, **HB 481**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 281, AN ACT relating to health insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. SUBTITLE 17C OF KRS CHAPTER 304 IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 12 of this Act, unless the context requires otherwise:

(1) "Eligible employee" means any full time or part time employee who is actively engaged in the conduct of business of the employer, who has satisfied any employer waiting period requirements, and who has been given a voucher by the employer to purchase a health benefit plan;

(2) "Eligible person" means an employer, eligible employee, self-employed person, unemployed person, or retiree who is not eligible for Medicare:

(3) "Employer" means any corporation, partnership, sole proprietorship, or other business entity doing business in Kentucky that provides a voucher for a health benefit plan to its eligible employees to purchase a health benefit plan;

(4) "Insurance purchasing outlet" means a business entity licensed as an administrator in accordance with Subtitle 9 of Chapter 304, which collects premiums and vouchers from or on behalf of health purchasing outlet members, and which is issued a certificate of registration in accordance with Sections 1 to 12 of this Act;

(5) "Insurance purchasing outlet member" means an eligible person, including a dependent of an eligible person, who is enrolled in a health benefit plan offered through an insurance purchasing outlet by a participating insurer;

(6) "Participating insurer" means an authorized insurer or health maintenance organization that contracts with an insurance purchasing outlet to provide coverage to insurance purchasing outlet members under a health benefit plan; and

(7) "Voucher" means an instrument that is issued to an eligible employee by an employer to purchase a health benefit plan.

SECTION 2. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) No person or entity shall act or hold themselves out as an insurance purchasing outlet without first being registered as an insurance purchasing outlet by the commissioner of the Kentucky Department of Insurance in accordance with Sections 1 to 12 of this Act.

(2) No person shall act for an insurance purchasing outlet to sell, solicit, or negotiate a health benefit plan to an eligible person unless the person acting for the insurance purchasing outlet is licensed in accordance with Subtitle 9 of Chapter 304 as an agent with a health line of authority.

(3) The commissioner may promulgate administrative regulations necessary to administer Sections 1 to 12 of this Act.

SECTION 3. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) A business entity seeking to obtain a certificate of registration to act as an insurance purchasing outlet shall complete and file with the commissioner of the Kentucky Department of Insurance an application prescribed by the commissioner.

(2) An application shall not be deemed filed until all information necessary to process the application properly has been received by the commissioner.

(3) Within one hundred eighty (180) days of receipt of an application for a certificate of registration, the commissioner shall make a determination concerning the application and provide notice to the applicant. If approved, a certificate of registration, in a form prescribed by the commissioner, shall be provided to the insurance purchasing outlet.

(4) The business entity seeking a certificate of registration to act as an insurance purchasing outlet shall file the following with the commissioner:

- *(a) Organizational information, including partnership agreements, articles of incorporation, bylaws, and other applicable documents.*
- *(b) A business plan, including plan of operations, marketing plan, and financial projections of not less than three (3) years;*
- *(c) Appeal procedures for denied enrollment to a health purchasing outlet;*
- *(d) Enrollment procedures;*
- *(e) Payment procedures;*
- *(f) Evidence of financial responsibility to operate as an insurance purchasing outlet in the form of the following:*
  - *1. A fidelity bond in an amount not less than ten percent (10%) of projected annual premiums collected;*

and

2. A certificate of an insurer authorized to write legal liability insurance in Kentucky certifying that the insurer has and will keep in effect on behalf of the insurance purchasing outlet a policy of insurance covering the legal liability of the insurance purchasing outlet as a result of erroneous acts or failure to act in its capacity as an insurance purchasing outlet. The policy shall provide indemnification for the benefit of any aggrieved party as a result of each single occurrence in the sum of not less than ten thousand dollars ($10,000). The policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner and to the insurance purchasing outlet;

(g) Biographical affidavits of owners, partners, officers, and directors of the applicant;

(h) Identification of any contracted company which manages the insurance purchasing outlet, or any administrator which adjusts or settles claims of the insurance purchasing outlet members;

(i) Names and addresses of the principal place of business of the applicants;

(j) Geographic area to be serviced;

(k) Requirements for membership and participation in the insurance purchasing outlet;

(l) Name and address of each participating insurer, if known;

(m) Proposed health benefit plan to be offered, if known; and

(n) Any other information required by the commissioner to evaluate the applicant's suitability as an insurance purchasing outlet.

(5) Any information filed by an insurance purchasing outlet pursuant to subsection (4) of this section that changes shall be refiled with the commissioner for approval.

(6) The commissioner may promulgate administrative regulations to establish standards in accordance with subsection (4) of this section.

SECTION 4. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

An application for or an existing certificate of registration of an insurance purchasing outlet may be denied, suspended, or revoked for any reason penalty could be imposed upon an administrator's license in accordance with KRS 304.9-440. In addition to denial, suspension, or revocation, a civil penalty may also be imposed.

SECTION 5. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The insurance purchasing outlet may collect premiums and the value of vouchers from or on behalf of insurance purchasing outlet members under its administrator license.

(2) The insurance purchasing outlet shall not adjust or settle claims on insurance purchasing outlet members under its administrator license.

(3) The insurance purchasing outlet shall comply with KRS 304.9-371 to 304.9-377.

(4) The insurance purchasing outlet shall furnish annual and quarterly financial statements no later than sixty (60) days after the end of the reporting period on a form prescribed by the commissioner. Additionally, the insurance purchasing outlet shall furnish to the commissioner annual audited financial statements based on generally accepted accounting principles by an independent certified public accountant on or before one hundred twenty (120) days from the end of the insurance purchasing outlet's fiscal year for the immediately preceding fiscal year.

(5) The books and records of the insurance purchasing outlet shall be retained in the state of Kentucky and made available to the commissioner for inspection or examination.

(6) Upon payment of all applicable fees, the certificate of registration issued in accordance with Section 3 of this Act shall be renewed at the same time that the insurance purchasing outlet renews its administrator license in accordance with Subtitle 9 of Chapter 304.

(7) The certificate of registration issued under Section 3 of this Act is not transferable.

(8) The department shall promulgate administrative regulations to establish fees for the initial registration and renewal of registration of an insurance purchasing outlet.

SECTION 6. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) An insurance purchasing outlet shall:

(a) Set and collect fees to finance necessary costs incurred in marketing, selling, servicing, and administering its services;

(b) Offer health benefit plans to eligible persons;

(c) Provide premium and voucher collection services for participating insurers;

(d) Establish and adhere to appropriate administrative and accounting procedures for operating the health

purchasing outlet;

(e) Establish and adhere to rules, conditions, and procedures for insurance purchasing outlet members and participating insurers;

(f) Establish and adhere to enrollment and participation requirements for insurance purchasing outlet members;

(g) Receive, review, and conduct appeals for persons who have been denied enrollment to an insurance purchasing outlet;

(h) Demonstrate and maintain at all times proof of financial responsibility and solvency;

(i) Prepare an annual report on the operations of the insurance purchasing outlet in accordance with administrative regulations promulgated by the commissioner;

(j) Establish procedures for billing and collection of premiums from insurance purchasing outlet members;

(k) Establish procedures for collecting and redeeming vouchers; and

(l) Maintain an administrator license in accordance with Subtitle 9 of Chapter 304.

(2) An insurance purchasing outlet may:

(a) Contract with qualified third parties for any services necessary to carry out the powers and duties authorized or required by this chapter;

(b) Employ necessary staff;

(c) Sue or be sued;

(d) Contract with licensed administrators to adjust or settle claims, since the insurance purchasing outlet is prohibited from these activities in accordance with Section 5 of this Act; and

(e) Employ, contract, or otherwise use licensed insurance agents to market and service coverage.

SECTION 7. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) For administrative purposes, an insurance purchasing outlet shall be the policyholder or contract holder of the health benefit plan on behalf of an insurance purchasing outlet member.

(2) The participating insurer shall issue a certificate of coverage to each insurance purchasing outlet member;

(3) The insurance purchasing outlet shall provide the following disclosures to an insurance purchasing outlet member at the time of enrollment:

(a) The insurance purchasing outlet is not an insurer and does not pay benefits or claims. It collects and distributes premiums on behalf of insurance purchasing outlet members;

(b) The insurance purchasing outlet is registered with the Kentucky Department of Insurance to provide specific administrative services and may not assume any risk for claim and benefit payments; and

(c) Other disclosures as the commissioner shall require by administrative regulation.

SECTION 8. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provision of this chapter, the amount or rate of premiums for an insurance purchasing outlet health benefit plan may be determined, subject to the restrictions of subsection (2) of this section, based upon the experience or projected experience of the insurance purchasing outlets whose members obtain coverage under the plan. The index rate for the insurance purchasing outlet shall be calculated solely with respect to that insurance purchasing outlet and shall not be tied to, linked to, or otherwise adversely affected by any other index rate used by the participating insurer.

(2) The following restrictions shall be applied in calculating the permissible amount or rate of premiums for an insurance purchasing outlet health benefit plan:

(a) The premium rates charged during a rating period to members of the insurance purchasing outlet with similar characteristics for the same or similar coverage, or the premium rates that could be charged to a member of the insurance purchasing outlet under the rating system for that class of business, shall not vary from its own index rate by more than twenty-five percent (25%), except that the premium rates charged to an insurance purchasing outlet member shall not vary from the index rate by more than fifty percent (50%) through December 31, 2002. On and after January 1, 2003, the allowable rate shall immediately revert back to the twenty-five percent (25%) variation.

(b) The percentage increase in the premium rate charged to a member of an insurance purchasing outlet for a new rating period shall not exceed the sum of the following:

1. The percentage change in the new business premium rate for the insurance purchasing outlet measured from the first day of the prior rating period to the first day of the new rating period;

2. Any adjustment, not to exceed twenty percent (20%) annually and adjusted pro rata for rating periods of less than one (1) year, due to the claims experience, mental and physical condition, including medical *condition, medical history, and health service utilization, or duration of coverage of the member as determined from the insurer's rate manual; and*

3. Any adjustment due to change in coverage or change in the case characteristics of the member as determined by the insurer's rate manual.

(3) In utilizing case characteristics the ratio of the highest rate factor to the lowest rate factor within a class of business shall not exceed five to one (5:1). For purposes of this limitation, case characteristics include age, gender, occupation or industry, and geographic area.

SECTION 9. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Health benefit plan coverage obtained through an insurance purchasing outlet shall be deemed group health insurance in accordance with KRS 304.18-020.

(2) Health benefit plans issued by an insurance purchasing outlet shall meet the requirements in KRS 304.17A-200, 304.17A-220, and 304.17A-240.

(3) An insurance purchasing outlet member who no longer meets participation requirements may, at the option of the member, remain a member of the insurance purchasing outlet until the time of renewal.

SECTION 10. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) A voucher issued by an employer shall only be redeemable at an insurance purchasing outlet. A voucher shall be nonassignable and nontransferable.

(2) An insurance purchasing outlet shall redeem the value of the voucher with the employer. If an employer fails to redeem the value of the voucher, the insurance purchasing outlet shall notify the eligible person. An eligible person may pay the premium amount directly to the insurance purchasing outlet if the employer fails to redeem the value of the voucher.

(3) An insurance purchasing outlet shall pay an insurer the appropriate premium amount on or before the premium due date. If an insurance purchasing outlet fails to pay the premium amount on or before the due date the following shall occur:

  (a) An insurer shall issue the insurance purchasing outlet a notice of termination if the premium amount is not paid pursuant to KRS 304.17A-245.

  (b) Upon receipt of a notice of termination from the insurer, the insurance purchasing outlet shall issue the eligible member a notice of termination.

  (c) The insurer shall notify the eligible person of his conversion rights under KRS 304.18-110.

(4) An insurer may allow for a thirty-one (31) day grace period for the premium amount to be paid by the insurance purchasing outlet.

(5) The department shall prescribe the items to be included on a voucher.

(6) An insurance purchasing outlet shall be required to accept a voucher as payment for a health benefit plan, or as partial payment if the value of the voucher is insufficient to cover the full premium of the health benefit plan.

(7) An insurance purchasing outlet may charge a reasonable administrative fee to cover the cost of processing the voucher.

(8) The commissioner shall promulgate administrative regulations to implement the provisions of this section.

Section 11. KRS 304.47-020 is amended to read as follows:

(1) For the purposes of this subtitle, a person or entity commits a "fraudulent insurance act" if he or she engages in any of the following, including, but not limited to, matters relating to workers' compensation:

  (a) Knowingly and with intent to defraud or deceive presents, causes to be presented, or prepares with knowledge or belief that it will be presented to an insurer, Board of Claims, Special Fund, or any agent thereof, any written or oral statement as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy or from a "self-insurer" as defined by KRS Chapter 342, knowing that the statement contains any false, incomplete, or misleading information concerning any fact or thing material to a claim;

  (b) Knowingly and with intent to defraud or deceive presents, causes to be presented, or prepares with knowledge or belief that it will be presented to an insurer, Board of Claims, or any agent thereof, any statement as part of, or in support of, an application for an insurance policy, for renewal, reinstatement, or replacement of insurance, or in support of an application to a lender for money to pay a premium, knowing that the statement contains any false, incomplete, or misleading information concerning any fact or thing material to the application;

  (c) Knowingly and willfully transacts any contract, agreement, or instrument which violates this title;

  (d) Knowingly and with intent to defraud or deceive, receives money for the purpose of purchasing insurance, and fails to obtain insurance;

(e) Knowingly and with intent to defraud or deceive, fails to make payment or disposition of money ***or voucher as defined in Section 1 of this Act***, as required by agreement or legal obligation, that comes into his or her possession while acting as a licensee under this chapter;

(f) Issues or knowingly presents fake or counterfeit insurance policies, certificates of insurance, insurance identification cards, insurance binders, or any other documents that purport to evidence insurance;

(g) Makes any false or fraudulent representation as to the death or disability of a policy or certificate holder in any written statement or certificate for the purpose of fraudulently obtaining money or benefit from an insurer;

(h) Engages in unauthorized insurance, as defined in KRS 304.11-030;

(i) Knowingly and with intent to defraud or deceive, presents, causes to be presented, or prepares with knowledge or belief that it will be presented to or by an insurer, or to the commissioner, any statement, knowing that the statement contains any false, incomplete, or misleading information concerning any material fact or thing, as part of, or in support of one (1) or more of the following:

1. The rating of an insurance policy;
2. The financial condition of an insurer;
3. The formation, acquisition, merger, reconsolidation, dissolution, or withdrawal from one (1) or more lines of insurance in all or part of this Commonwealth by an insurer; or
4. A document filed with the commissioner;

(j) Knowingly and with intent to defraud or deceive, engages in any of the following:

1. Solicitation or acceptance of new or renewal insurance risks on behalf of an insolvent insurer; or
2. Removal, concealment, alteration, tampering, or destruction of money, records, or any other property or assets of an insurer; or

(k) Assists, abets, solicits, or conspires with another to commit a fraudulent insurance act in violation of this subtitle.

(2) (a) Except as provided in paragraphs (b) and (c) of this subsection, a person convicted of a violation of subsection (1) of this section shall be guilty of a misdemeanor where the aggregate of the claim, benefit, or money referred to in subsection (1) of this section is less than or equal to three hundred dollars ($300), and shall be punished by:

1. Imprisonment for not more than one (1) year;
2. A fine, per occurrence, of not more than one thousand dollars ($1,000) per individual nor five thousand dollars ($5,000) per corporation or twice the amount of gain received as a result of the violation, whichever is greater; or
3. Both imprisonment and a fine as set forth in subparagraphs 1. and 2. of this paragraph;

(b) Except as provided in paragraph (c) of this subsection, where the claim, benefit, or money referred to in subsection (1) of this section exceeds an aggregate of three hundred dollars ($300), a person convicted of a violation of subsection (1) of this section shall be guilty of a felony and shall be punished by:

1. Imprisonment for not less than one (1) nor more than five (5) years;
2. A fine, per occurrence, of not more than ten thousand dollars ($10,000) per individual nor one hundred thousand dollars ($100,000) per corporation or twice the amount of gain received as a result of the violation, whichever is greater; or
3. Both imprisonment and a fine as set forth in subparagraphs 1. and 2. of this paragraph.

(c) Any person, with the purpose to establish or maintain a criminal syndicate, or to facilitate any of its activities, as set forth in KRS 506.120(1), shall be guilty of engaging in organized crime, a Class B felony, and shall be punished by:

1. Imprisonment for not less than ten (10) years nor more than twenty (20) years;
2. A fine, per occurrence, of not more than ten thousand dollars ($10,000) per individual nor one hundred thousand dollars ($100,000) per corporation, or twice the amount of gain received as a result of the violation; whichever is greater; or
3. Both imprisonment and a fine, as set forth in subparagraphs 1. and 2. of this paragraph.

(d) In addition to imprisonment, the assessment of a fine, or both, a person convicted of a violation of paragraph (a), (b), or (c) of subsection (2) of this section may be ordered to make restitution to any victim who suffered a monetary loss due to any actions by that person which resulted in the adjudication of guilt, and to the division for the cost of any investigation. The amount of restitution shall equal the monetary value of the actual loss or twice the amount of gain received as a result of the violation, whichever is greater.

(3) Any person damaged as a result of a violation of any provision of this section when there has been a criminal adjudication of guilt shall have a cause of action to recover compensatory damages, plus all reasonable investigation and litigation expenses, including attorneys' fees, at the trial and appellate courts.

(4) The provisions of this section shall also apply to any agent, unauthorized insurer or its agents or representatives, or surplus lines carrier who, with intent, injures, defrauds, or deceives any claimant with regard to any claim. The claimant shall have the right to recover the damages provided in subsection (3) of this section.

SECTION 12. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Insurance purchasing outlets shall be subject to the provisions of this subtitle, and to the following provisions of this chapter, to the extent applicable and not in conflict with the expressed provisions of this subtitle:

(1) Subtitle 1;
(2) Subtitle 2;
(3) Subtitle 3;
(4) Subtitle 9;
(5) Subtitle 12;
(6) Subtitle 14;
(7) Subtitle 17A;
(8) Subtitle 18;
(9) Subtitle 25;
(10) Subtitle 47; and
(11) Subtitle 99.

The Committee Amendment No. 1 to **HB 281** is as follows:

On page 1, by deleting lines 1 and 2 in their entirety and inserting in lieu thereof:

"SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:"; and

On page 2, lines 2 and 14; on page 4, lines 15 and 21; on page 5, line 22; on page 7, lines 3 and 20; on page 9, lines 7 and 16; and on page 14, line 15; by deleting "17C" and inserting in lieu thereof "17A"; and

On page 1, line 21, by deleting "***or health maintenance***"; and

On page 1, line 22, by deleting "***organization***"; and

On page 2, line 4, by deleting "***person or entity***" and inserting in lieu thereof "***individual or business entity***"; and

On page 2, line 8, by deleting "***person***" and inserting in lieu thereof "***individual or business entity***"; and

On page 2, line 9, by deleting "***the person***" and inserting in lieu thereof "***individual or business entity***"; and

On page 6, line 25, after "***with***" by inserting "***independent***"; and

On page 8, line 12, by deleting "***On and after January 1,***" and inserting in lieu thereof "***However, upon any policy issuance or renewal, on or after January 1, 2003, the maximum variation shall revert to twenty-five percent (25%) of the index rate.***"; and

On page 8, by deleting lines 13 and 14 in their entirety; and

On page 9, line 11, by deleting "***issued by***" and inserting in lieu thereof "***obtained through***"; and

On page 14, after line 22, by inserting:

"***(4) Subtitle 4;***"; and

On page 14, line 23, by deleting "***(4)***" and inserting in lieu thereof "***(5)***"; and

On page 14, line 24, by deleting "***(5)***" and inserting in lieu thereof "***(6)***"; and

On page 14, line 25, by deleting "***(6)***" and inserting in lieu thereof "***(7)***"; and

On page 14, by deleting line 26 in its entirety.

HB 481, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 2 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Documents, materials, or other information in the possession or control of the commissioner that are deemed confidential by subsection (3) of this section or by any provision of this chapter shall be confidential by law and privileged, shall not be subject to the Kentucky Open Records Act, KRS 61.872 to 61.884, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the

commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties.

(2) Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (1) of this section.

(3) In order to assist in the performance of the commissioner's duties, the commissioner:

(a) May share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subsection (1) of this section, with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners, its affiliates, or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information;

(b) May receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners, its affiliates, or subsidiaries, regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(c) May enter into agreements governing sharing and use of information consistent with this subsection.

(4) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized by subsection (3) of this section.

Section 2. KRS 304.2-065 is amended to read as follows:

(1) There is created within the Department of Insurance the position of early warning analyst.

(2) The commissioner shall appoint a qualified person to serve as early warning analyst.

(3) The early warning analyst shall detect domiciled companies and companies doing a significant amount of business in the Commonwealth that are in a hazardous or potentially hazardous financial condition.

(4) The early warning analyst shall be part of the Financial Standards and Examination Division.

(5) The early warning analyst shall:

(a) Take advantage of the information available through the Insurance Regulatory Information System and use the information to monitor insurers;

(b) Seek information from other states' detection programs;

(c) Work with other Department of Insurance employees representing key regulatory areas of the department;

(d) Coordinate and develop the use of an indicator list to determine if an insurer is in a hazardous condition. The indicator list shall include but is not limited to the following indicators:

1. An insurer fails to file a timely financial statement as established in KRS Chapter 304;
2. An insurer files financial information which is false or misleading;
3. An insurer overstates its surplus by twenty-five percent (25%) or more;
4. An insurer fails to grant authorization to amend its financial statement when requested;
5. An insurer's financial ratios are outside of the usual range established by the National Association of Insurance Commissioners in the Insurance Regulatory Information System;
6. A projection by the department of an insurer's current financial condition indicates that the sum of its paid-in capital, paid-in surplus, and contributed surplus will be reduced within the next twelve (12) months;
7. An insurer's aggregate net retained risk, direct or assumed, under any one (1) insurance policy or certificate of insurance under a group policy is more than ten percent (10%) of the insurer's surplus, except where otherwise permitted by law;
8. An insurer's reserves for losses and loss adjustment expenses are discounted more than ten percent (10%) of the surplus;
9. An affiliate or subsidiary of an insurer is unable to pay its obligations as the obligations become due and payable;
10. A life, accident, and health insurer has premium writings that result in the surplus being less than five percent (5%) of the aggregate general account reserves for the life insurance in force plus twenty-five percent (25%) of the new annualized accident and health premium writing;
11. An insurer has reinsurance reserve credits, recoverable or receivable, that are disputed by the reinsurer, or are due and payable and remain unpaid, and the reinsurance credits, recoverables, and receivables are more than ten percent (10%) of an insurer's surplus;

12. An insurer consistently issues subordinate premium or surplus debentures to finance its operations;
13. An insurer fails to adequately maintain books and records in a manner that permits examiners to determine the financial condition of the insurer;
14. An insurer has reinsurance agreements affecting twenty percent (20%) or more of the insurer's gross written premiums, direct or assumed, and the assuming insurers are not licensed to do insurance business in the Commonwealth of Kentucky;
15. An insurer's management does not have the experience, competence, or trustworthiness to operate the insurer in a safe and sound manner;
16. An insurer's management engages in unlawful transactions;
17. An insurer fails to have an appraisal made on real estate upon which the insurer has made a mortgage loan;
18. An insurer fails to comply with the terms of an agreement with an affiliate;
19. An insurer has a pattern of refusing to settle valid claims within a reasonable time after due proof of the loss has been received;
20. An insurer fails to follow a policy on rating and underwriting standards appropriate to the risk;
21. An insurer violates KRS Chapter 304;
22. A final administrative or judicial order, initiated by an insurance regulatory agency of another state, is issued against an insurer; and
23. An insurer is in any condition that the commissioner finds is a hazard to policyholders, creditors, or the general public;

(e) Recommend regulatory action and provide status reports to the commissioner; and

(f) Appear before the Interim Joint Committee on Banking and Insurance or the Standing Committees on Banking and Insurance ***annually***[~~biannually~~] to report on the status of domestic insurance companies and insurance companies doing a substantial amount of business in the Commonwealth of Kentucky.

Section 3. KRS 304.2-080 is amended to read as follows:

(1) The commissioner or any deputy, examiner, actuary, assistant or employee of the department, shall not be connected with the management of, or be financially interested, directly or indirectly, in any insurer, insurance agency or broker, or insurance transaction except as policyholder or claimant under a policy; except, that as to matters wherein a conflict of interest does not exist on the part of any[~~ such~~] individual, the commissioner may employ or retain from time to time insurance actuaries, examiners, accountants, attorneys, or other technicians who are independently practicing their profession even though from time to time similarly employed or retained by insurers or others.

(2) No person shall directly or indirectly give or pay to the commissioner or any deputy, examiner, actuary, assistant, employee or technician retained by the department; and the commissioner, or any deputy, examiner, actuary, assistant, employee or technician retained by the department, shall not directly or indirectly receive or accept any fee, compensation, loan, gift or other thing of value in addition to the compensation and expense allowance provided by law, or by contract with the commissioner, for any service rendered or to be rendered, as such commissioner, deputy, examiner, actuary, assistant, employee or technician, or in connection therewith.

(3) Subsection (1) of this section shall not be deemed to prohibit receipt by any such person of commissions or retirement benefits to which entitled by reason of services performed prior to becoming commissioner or prior to employment by the commissioner.

[~~(4) This section shall not be deemed to prohibit appointment and functioning of the commissioner as process agent of insurers or of nonresident licensees as provided for in this code.~~]

Section 4. KRS 304.2-150 is amended to read as follows:

(1) The commissioner shall carefully preserve in the department and in permanent form, a correct account of all ***the commissioner's***[~~his~~] transactions and of all fees and moneys received by ***the commissioner***[~~him~~] by virtue of ***the commissioner's***[~~his~~] office, together with all financial statements, examination reports, correspondence, filings, and documents duly received by the department. The commissioner shall hand the same over to ***the commissioner's***[~~his~~] successor in office.

(2) The commissioner shall keep a suitable record of all insurer certificates of authority and of all licenses issued under this code, together with all applicable suspensions and revocations and of the causes thereof.

(3) Unless otherwise provided by law, records of the department shall be open to the extent provided by the Kentucky Open Records Act, KRS 61.872 to 61.884:

(a) The following records shall be open:

1. Rate and form filings and information filed in support thereof;
2. Other records as provided by law; and
3. All information filed by the department with the National Association of Insurance Commissioners, which

that association makes available;

(b) The following records shall be closed:

1. All information received in confidence from insurance supervisory officials of other states or countries, or the National Association of Insurance Commissioners, including, but not limited to, information from the insurance regulatory information system. ***Records described in this paragraph shall be confidential by law and shall be subject to the provisions of Section 1 of this Act***[~~However, records described in this paragraph may be used by the commissioner in enforcement prosecutions and proceedings for disciplinary action, and may be disclosed to other law enforcement authorities~~]; and

2. Other records as provided by law; and

(c) When inspection of department records is denied, any person challenging the denial shall follow the procedures set forth in the Kentucky Open Records Act, KRS 61.872 to 61.884.

(4) After five (5) years, the commissioner may destroy unneeded or obsolete records and filings in the department.

(5) The department shall not charge a fee inconsistent with fees charged by other state agencies for copies of records requested by the public pursuant to this section.

Section 5. KRS 304.2-250 is amended to read as follows:

(1) Upon completion of an examination, the examiner in charge shall make a true report thereof which shall comprise only facts appearing upon the books, records or other documents of the person examined, or as ascertained from the sworn testimony of its officers or agents or other individuals examined concerning its affairs, and such conclusions and recommendations as may reasonably be warranted from such facts.

(2) Such a report of examination of an insurer shall be prima facie evidence in any action or proceeding for the receivership, conservation or liquidation of the insurer brought in the name of the state against the insurer, its officers or agents upon the facts stated therein, and whether or not the report has then been filed in the department as provided in KRS 304.2-260.

(3) Except as provided in Sections 6 and 7 of this Act, documents, materials, or other information, including examination workpapers, in the possession or control of the commissioner that are created, produced, or obtained by or disclosed to the commissioner or any other person in the course of an examination made under this subtitle or in the course of analysis by the commissioner of the financial condition or market conduct of an insurer shall be confidential by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act.

Section 6. KRS 304.2-260 is amended to read as follows:

(1) The commissioner shall deliver a copy of the examination report to the person examined, together with a notice affording ***the***[~~such~~] person twenty (20) days or[~~ such~~] additional reasonable period as the commissioner for good cause may allow within which to review the report and recommend changes therein.

(2) If so requested by the person examined, within the period allowed under subsection (1) of this section, or if deemed advisable by the commissioner without ***a***[~~such~~] request, the commissioner shall hold a hearing relative to the report and shall not file the report in the department for public inspection until after ***the***[~~such~~] hearing and ***the commissioner's***[~~ his~~] order thereon, except that the commissioner may furnish a copy of the report to the Governor or Attorney General of the state pending final decision thereon.

(3) If no[~~ such~~] hearing has been requested or held, the commissioner shall fully consider and review the report, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers and enter an order within sixty (60) days of the end of the period allowed under subsection (1) of this section. The order of the commissioner shall:

(a) Adopt the examination report as filed or with modifications or corrections. If the examination report reveals that the person is operating in violation of or has violated any law, administrative regulation, or prior order of the commissioner, the commissioner may order the person to take[~~ such~~] action to cure the violations and impose[~~ such~~] penalties as the commissioner considers necessary and appropriate; or

(b) Reject the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation, or information, and refiling as provided in KRS 304.2-250; or

(c) Call for a hearing for purposes of obtaining additional documentation, data, information, and testimony.

(4) Upon entry of the commissioner's order, the examination report, with[~~ such~~] modifications, if any, thereof as the commissioner deems proper, shall be filed in the department for public inspection, except that the commissioner may withhold from public inspection any examination report for so long as ***the commissioner***[~~he~~] deems ***the***[~~such~~] withholding to be necessary for the protection of the person examined against unwarranted injury or to be in the public interest and except that the commissioner shall withhold from public inspection any examination report of a domestic insurer as provided in KRS 304.2-270.

(5) ***(a) An examination workpaper shall be deemed confidential information and shall not be available for public inspection, except that the commissioner may in the commissioner's discretion disclose an examination workpaper, the content of a preliminary examination report, examination results, or any other matter relating to an examination report to the department of insurance of any other state or country, or to law enforcement officials of this or any other state, or to an agency of this or any other state or the federal government at any***

time, if the agency or office receiving the report or matters relating to the report agrees in writing to hold the information confidential and in a manner consistent with this section.

(b) "Examination workpaper" means a written or recorded document, note, memorandum, critique, comment, recommendation, or other information copied, established, created, or retained by the commissioner or the commissioner's designee for the purpose of conducting an examination or drafting an examination report.

(6) The commissioner shall forward to the person examined a copy of the examination report as filed for public inspection, together with the order of the commissioner.

(7)[~~(6)~~] If the report concerns the examination of a domestic insurer, a copy of the report, when filed for public inspection, or if withheld from public inspection ***in accordance with Section 7 of this Act or***[~~under~~] subsection (4) of this section, together with the order of the commissioner, shall be presented by the insurer's chief executive officer to the insurer's board of directors or similar governing body at a meeting thereof which shall be held within ninety (90) days next following receipt of the report and order. A copy of the report and order shall also be furnished by the secretary of the insurer, if incorporated, or by the attorney-in-fact if a reciprocal insurer, or Lloyd's plan insurer, to each member of the insurer's board of directors or board of governors, if a reciprocal insurer, or Lloyd's plan insurer, and the certificate of the secretary or attorney-in-fact, which shall be filed promptly with the department, that a copy of the examination report and order, has been so furnished shall be deemed to constitute knowledge of the contents of the report and order by each[~~ such~~] member.

(8)[~~(7)~~] The report when so filed in the department shall be admissible in evidence in any action or proceeding brought by the commissioner against the person examined, or against its officers, employees, or agents. In any[~~ such~~] action or proceeding ***brought by the commissioner***, the commissioner or ***the commissioner's***[~~ his~~] examiners may, however, at any time testify and offer proper evidence as to information secured or matters discovered during the course of an examination, whether or not a written report of the examination has been either made, furnished, or filed in the department.

Section 7. KRS 304.2-270 is amended to read as follows:

The report of examination of a domestic insurer, although filed in the department as provided in KRS 304.2-260 shall nevertheless not be for public inspection except as to those portions of the report showing the insurer's current financial condition. The ***examination workpapers***[~~comments and recommendations of the examiner(s)~~] shall be deemed confidential information and shall not be available for public inspection, except that the commissioner may in his discretion disclose the content of an examination report, preliminary examination report, ***examination***[~~or~~] results, or any ***other*** matter relating to an examination report, to the Department of Insurance of any other state or country, or to law enforcement officials of this or any other state, or to an agency of this or any other state or the federal government at any time, if the agency or office receiving the report or matters relating to the report agrees in writing to hold it confidential and in a manner consistent with this section and KRS 304.2-260.

Section 8. KRS 304.2-300 is amended to read as follows:

(1) There is created in the State Treasury the "Examination Expense Revolving Fund" for the use of the department. The commissioner shall promptly deposit all funds received under a statute requiring examination expenses to be paid by the party examined and deposited with the State Treasurer to the credit of ***the***[~~such~~] fund.

(2) Moneys for travel, per diem, compensation and other necessary and authorized expenses incurred by an examiner or other department representative in the examination of any person required to pay, and making payment of, the expense of examination pursuant to KRS 304.2-290 shall be paid out of the examination expense revolving fund, upon approval of the commissioner.

(3) Moneys for travel[~~, compensation~~] and other necessary expenses[~~ of the custodian of insurance securities~~] assessed pursuant to KRS 304.8-190 shall be paid out of the examination expense revolving fund upon approval of the commissioner.

(4) If any amount in ***the***[~~such~~] revolving fund remains unexpended at the end of any fiscal year, that amount shall not lapse, but shall remain credited to the account and may be used during the succeeding year or years.

Section 9. KRS 304.2-360 is amended to read as follows:

(1) In the conduct of hearings under this code and making his final order thereon, the commissioner shall act in a quasijudicial capacity and in accordance with the provisions of this chapter and KRS Chapter 13B.

(2) With respect to hearings held concerning merger, consolidation, bulk reinsurance, conversion, affiliation, or change of control of a domestic insurer as provided in Subtitle 24, or in Subtitle *37*[~~27~~] of this chapter, where notice of the hearing was given to all stockholders and policyholders or to all stockholders of an insurer involved, the commissioner is required to give a copy of the order on hearing to the corporation and insurer parties, to intervening parties, to a reasonable number of stockholders or policyholders as representative of the class, and to other parties only upon written request of such parties.

(3) A final order may require that restitution be made to any person aggrieved by a violation of any provisions of this chapter, any statute administered by the commissioner, or any regulation of the commissioner.

(4) An order prepared by the commissioner's designee and approved in writing by the commissioner shall be considered the commissioner's order.

Section 10. KRS 304.3-110 is amended to read as follows:

An insurer which otherwise qualifies therefor may be authorized to transact any one (1) kind or any combination of kinds of insurance as defined in Subtitle 5, except:

(1) A life insurer may grant annuities and may be authorized to transact in addition only health insurance; except, that the commissioner may, if the insurer otherwise qualifies therefor, continue so to authorize any life insurer which immediately prior to June 18, 1970, was lawfully authorized to transact in this state a kind or kinds of insurance in addition to life and health and annuities. ***Only an insurer with a certificate of authority authorized to sell life insurance may grant and issue annuity contracts.***

(2) A reciprocal or Lloyd's insurer shall not transact life insurance.

(3) A title insurer shall be a stock insurer, and shall not transact any other kind of insurance.

(4) A mortgage guaranty insurer shall be a stock insurer, and shall not transact any other kind of insurance.

Section 11. KRS 304.3-150 is amended to read as follows:

To apply for an original certificate of authority an insurer shall file with the commissioner its written application therefor on forms as prescribed and furnished by the commissioner, accompanied by the applicable fees specified in Subtitle 4, stating under the oath of the president or vice-president or other chief officer and the secretary of the insurer, or of the attorney-in-fact (if a reciprocal insurer or Lloyd's plan insurer), the insurer's name, location of its principal office, the kinds of insurance to be transacted, date of organization or incorporation, form of organization, its domicile, and any additional information as the commissioner may reasonably require, together with the following documents, as applicable:

(1) If a corporation, a copy of its charter, together with all amendments thereto, or as restated and amended under the laws of its state or country of incorporation, currently certified by the public official with whom the originals are on file in a state or country.

(2) A copy of its bylaws, certified by the insurer's secretary.

(3) If a reciprocal insurer, a copy of the power of attorney of its attorney-in-fact, and copy of its subscribers agreement, if any, both certified by the attorney-in-fact; and if a domestic reciprocal insurer, the declaration provided for in ***Section 40 of this Act***[~~KRS 304.2-060~~].

(4) If a Lloyd's plan insurer, the names and addresses of all of the underwriters proposing to engage in the business, along with the number of underwriters which shall not be less than twenty-five (25), and that each underwriter is worth in his own right not less than twenty thousand dollars ($20,000) over and above all his liabilities, along with a statement showing a list of all cash and invested assets owned by the associated underwriters and their value, certified and sworn to by their duly authorized attorney-in-fact.

(5) A complete copy of its financial statement as of not earlier than the December 31 next preceding in form as customarily used in the United States by like insurers, sworn to by at least two (2) executive officers of the insurer or certified by the public insurance supervisory official of the insurer's state or country of domicile.

(6) A copy of the report of last examination of the insurer prior to the filing of the application, certified by the public insurance supervisory official of the insurer's state or country of domicile.

(7) If a foreign or alien insurer, the name and address of the person to whom the Secretary of State shall forward lawful process served upon him. If a domestic reciprocal insurer, the name and address of the attorney designated pursuant to paragraph (e) of subsection (2) of KRS 304.27-060 shall be deemed to be the person to whom the Secretary of State shall forward lawful process served upon him. Any judgment against a domestic reciprocal so served shall be binding upon each of the insurer's subscribers as their respective contingent liabilities.

(8) If a foreign or alien insurer, a certificate of the public insurance supervisory official of its state or country of domicile showing that it is authorized or qualified for authority to transact in a state or country the kinds of insurance proposed to be transacted in this state.

(9) If an alien insurer, a certificate as to deposit, if to be tendered pursuant to subsection (4) of KRS 304.3-140, and a copy of the trust deed, if any, pertaining to a deposit, certified by the trustee.

(10) If a foreign insurer, a certificate as to deposit, if to be tendered pursuant to subsection (4) of KRS 304.3-140.

(11)[~~If a life or health insurer, a copy of the insurer's rate book and of each form of policy currently proposed to be issued in this state, and of the form of application therefor.~~

~~(12)~~] If an alien insurer, a copy of the appointment and authority of its United States manager, certified by its officer having custody of its records.

(12)[~~(13)~~] Designation by the insurer of its officers or representatives authorized to appoint and remove its agents in this state.

(13)[~~(14)~~] If to transact surety insurance, the names and addresses of all its attorneys in fact within this state together with the scope of authority of each attorney-in-fact.

Section 12. KRS 304.3-180 is amended to read as follows:

(1) A certificate of authority shall continue in force as long as the insurer is entitled thereto under this code, and until suspended or revoked by the commissioner or terminated at the insurer's request; subject, however, to continuance of the

certificate by the insurer each year by:

(a) Payment[~~ on or before March 1~~] of the continuation fee provided in Subtitle 4 ***by March 1, or, if paid by mail, postmarked no later than March 1***;

(b) Due filing by the insurer of its annual statement for the next preceding calendar year as required by KRS 304.3-240;

(c) Payment by the insurer of premium taxes with respect to the preceding calendar year; and

(d) Due filing by domestic companies of quarterly statements as approved by the National Association of Insurance Commissioners.

(2) If not so continued by the insurer, its certificate of authority shall expire at midnight on the June 30 next following the failure of the insurer to continue it in force, unless earlier revoked for failure to pay taxes as provided in KRS 304.4-040. The commissioner shall promptly notify the insurer of the occurrence of any failure resulting in impending expiration of its certificate of authority.

(3) The commissioner may, in his discretion, upon the insurer's request made within three (3) months after expiration, reinstate a certificate of authority which the insurer has inadvertently permitted to expire, after the insurer has fully cured all its failures which resulted in the expiration. Otherwise the insurer shall be granted another certificate of authority only after filing application therefor and meeting all other requirements as for an original certificate of authority in this state.

(4) An insurer shall not use the same accountant or partner of an accounting firm responsible for preparing the ***audited financial statement for more than seven (7)***[~~report required by subsection (1) for more than four (4)~~] consecutive years.

Section 13. KRS 304.3-240 is amended to read as follows:

(1) Each authorized insurer shall annually[~~, before the first day of March,~~] file with the commissioner a true statement of its financial condition, transactions, and affairs as of December 31 preceding. The statement shall be on forms prescribed by the National Association of Insurance Commissioners and shall be completed according to the instructions of the National Association of Insurance Commissioners, and shall be verified by the oaths of at least two (2) of the insurer's principal officers. The annual statement of a reciprocal insurer shall be made and verified by its attorney-in-fact. ***The annual statement shall be filed by March 1 of each year, or, if filed by mail, postmarked no later than March 1. The annual statement of a foreign or alien insurer may be executed or verified by facsimile or reproduced signature; however, the annual statement of a domestic insurer shall contain original signatures.***

(2) [~~The commissioner shall annually during November furnish each insurer duplicate copies of annual statement forms as next required to be filed.~~]The statement forms shall be in general form and context as approved by the National Association of Insurance Commissioners for the kinds of insurance to be reported upon, and as supplemented for additional information required by the commissioner.

(3) The annual statement of an alien insurer shall relate only to its assets, transactions, and affairs in the United States unless the commissioner requires otherwise. The statement shall be verified by the insurer's United States manager or by its officers duly authorized.

(4) The commissioner may suspend or revoke the authority of any insurer failing to file its annual and quarterly statement when due or failing so to file during any extension of time therefor which the commissioner, for good cause, may grant.

(5) Notwithstanding the provisions of this section or any other law of this Commonwealth, an authorized insurer may, subject to the requirements of regulations adopted by the commissioner, publish financial statements or information based on financial statements prepared on a basis which is in accordance with requirements of a competent authority and which differs from the basis of the statements which have been filed with the commissioner in compliance with this section. Such differing financial statements or information based on the financial statements shall not be made the basis for the application of any provision of this chapter not relating solely to the publication of financial information unless the provision specifically so requires.

Section 14. KRS 304.3-320 is amended to read as follows:

(1) Foreign insurers currently admitted to do the business of life and health insurance in Kentucky and foreign insurers hereafter admitted to do the business of life and health insurance in Kentucky which are domiciled in states which have no life and health insurance guaranty association or similar guaranty fund in operation may be required by the commissioner, in order to protect Kentucky policyholders, to ***furnish to the commissioner a*** deposit ***of cash or***[~~with the custodian of insurance securities~~] publicly-traded securities having a market value of not less than one hundred thousand dollars ($100,000) nor more than one million dollars ($1,000,000).

(2) In establishing the amount of the deposit required by subsection (1) of this section for a particular insurer, the commissioner shall consider the following factors:

(a) The amount of Kentucky writings;

(b) The amount of policy reserves and claim reserves pertaining to Kentucky risks;

(c) The kind of insurance written in Kentucky;

(d) The current financial and operating test results of the insurer provided by the National Association of Insurance

Commissioners under its insurance regulatory information system; and

(e) Any other relevant financial data.

SECTION 15. A NEW SECTION OF SUBTITLE 6 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

As used in this subtitle:

(1) "Accounting practices and procedures manual" means the accounting practices and procedures manual as amended, published by the National Association of Insurance Commissioners.

(2) "SSAP" means the statements of statutory accounting principles in the accounting practices and procedures manual.

Section 16. KRS 304.6-010 is amended to read as follows:

(1) In any determination of the financial condition of an insurer, there shall be allowed as assets only such assets as are owned by the insurer and which consist of:

(a) Cash in the possession of the insurer, or in transit under its control, and including the true balance of any deposit in a solvent bank or trust company.

(b) Investments, securities, properties and loans acquired or held in accordance with this code and in connection therewith the following items:

1. Interest due or accrued on any bond or evidence of indebtedness which is not in default and which is not valued on a basis including accrued interest.

2. Declared and unpaid dividends on stocks and shares, unless such amount has otherwise been allowed as an asset.

3. Interest due or accrued upon a collateral loan in an amount not to exceed one (1) year's interest thereon.

4. Interest due or accrued on deposits in solvent banks and trust companies, and interest due or accrued on other assets, if such interest is in the judgment of the commissioner a collectible asset.

5. Interest due or accrued on a mortgage loan, in an amount not exceeding in any event the amount, if any, of the excess of the value of the property less delinquent taxes thereon over the unpaid principal***. Collectible interest one hundred eighty (180) days past due on a mortgage loan in default is a nonadmitted***~~[; but in no event shall interest accrued for a period in excess of eighteen (18) months be allowed as an]~~ asset.

6. Rent due or accrued on real property if such rent is not in arrears for more than three (3) months, and rent more than three (3) months in arrears if the payment of such rent be adequately secured by property held in the name of the tenant and conveyed to the insurer as collateral.

(c) Premium notes, policy loans, and other policy assets and liens on policies of life insurance and annuity contracts and accrued interest thereon, in an amount not exceeding the ***policy reserves or cash surrender value***~~[legal reserve and other policy liabilities carried on each individual policy]~~.

(d) The net amount of uncollected and deferred premiums and annuity considerations in the case of a life insurer, corresponding to the basis on which reserves are held.

(e) Premiums in the course of collection, other than for life insurance, not more than three (3) months past due, less commissions payable thereon. ***To the extent that there is no related unearned premium, any uncollected premium balances which are over ninety (90) days due shall be nonadmitted. The uncollected agent's receivable on a policy by policy basis which is over ninety (90) days due shall be nonadmitted regardless of any unearned premium.*** The foregoing limitation shall not apply to premiums payable directly or indirectly by the United States government or by any of its instrumentalities.

(f) Installment premiums other than life insurance premiums to the extent of the policy reserve carried on the policy to which premiums apply. ***If an installment premium is past due, the amount over ninety (90) days due plus all future installments that have been recorded on that policy shall be nonadmitted.***

(g) ***Bills receivable***~~[Notes and like written obligations not past due, taken]~~ for premiums other than life insurance premiums, on policies permitted to be issued on such basis, to the extent of the policy reserve carried thereon. ***Bills receivable shall be nonadmitted if either of the following conditions are present:***

1. If an installment premium is over ninety (90) days due, the entire bills receivable balance from that policy shall be nonadmitted;

2. If the bills receivable balance due exceeds the policy's unearned premium, the amount in excess of the unearned premium is nonadmitted.

(h) The full amount of reinsurance recoverable ***on paid losses and loss adjustment expense*** by a ceding insurer from a solvent reinsurer and which reinsurance is authorized under KRS 304.5-140.

(i) ***Funds held or deposited with reinsured companies, whether premiums withheld as security for unearned premium and outstanding loss reserves or advances for loss payments, are admitted assets provided they do not exceed the liabilities they secure and provided the reinsured is solvent. Any funds in excess of the liabilities, and any funds held by an insolvent reinsured shall be nonadmitted***~~[Amounts receivable by an assuming insurer~~

~~representing funds withheld by a solvent ceding insurer under a reinsurance treaty~~].

(j) Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended banking institution, to the extent deemed by the commissioner available for the payment of losses and claims and at values to be determined by ***the commissioner***[~~him~~].

(k) As to a title insurer, its title plant and equipment reasonably necessary for conduct of its abstract or title insurance business, at not to exceed the cost thereof.

(l) Electronic ***data processing equipment and operating software are admitted assets to the extent they conform to the requirements of SSAP No. 4. electronic data processing equipment and software shall be depreciated for a period not to exceed three (3) years using methods detailed in SSAP No. 19. The aggregate value of admitted electronic data processing equipment and operating system software (net of accumulated depreciation) shall be limited to three percent (3%) of the reporting entity's capital and surplus on the statutory balance sheet for its most recently filed statement with its domicilary state commissioner, adjusted to exclude electronic data processing equipment and operating system software, net deferred tax assets and net positive goodwill.***

(m) A collateral loan or unconditional obligation for the payment of money secured by the pledge of an investment to the extent it conforms to the requirements of SSAP No. 4. The outstanding principal balance on the loan and any related accrued interest shall be recorded as an admitted asset subject to the following limitations:

1. A collateral loan determined to be impaired shall be an admitted asset equal to the fair market value of the collateral less estimated costs to obtain and sell the collateral. The difference between the net fair value of the collateral and the amount of the collateral loan shall be written off in accordance with SSAP No. 5.

2. A collateral loan secured by an asset that does not qualify as an investment shall be nonadmitted.

3. A collateral loan that exceeds the fair market value of the collateral shall be an admitted asset equal to the fair market value of the collateral. The excess shall be classified as a nonadmitted asset.

(n) Deferred tax assets as defined in SSAP No.10.

(o) Receivable for securities as defined in SSAP No. 21.

(p) Guaranteed investment contracts as defined in SSAP No. 21.

(q) Cash value of life insurance where the reporting entity is owner and beneficiary as defined in SSAP No. 21.

(r) Other amounts receivable under reinsurance contracts as defined in SSAP No. 21.

(s) State guarantee association promissory notes.

(t)[~~and mechanical machines and related equipment constituting a data processing, record keeping, or accounting system or systems if the cost of each such system, including additions thereto is at least one hundred thousand dollars ($100,000), which cost shall be amortized in full over a period not to exceed ten (10) years. The aggregate amount invested in all such systems shall not exceed five percent (5%) of the insurer's assets.~~

~~(m)~~] All assets[~~, whether or not consistent with the provisions of this section,~~] as may be allowed pursuant to the ***accounting practices and procedures manual***[~~annual statement form approved by the commissioner for the kinds of insurance to be reported upon therein~~].

(u)[~~(n)~~] Other assets, not inconsistent with the provisions of this section, deemed by the commissioner to be available for the payment of losses and claims, at values to be determined by ***the commissioner***[~~him~~].

(2) Admitted assets may be allowed as deductions from corresponding liabilities, and liabilities may be charged as deductions from assets, and deductions from assets may be charged as liabilities, in accordance with the form of annual statement applicable to such insurer as prescribed by the commissioner, or otherwise in his discretion. The commissioner may make official regulations prescribing the application of the provisions of this section.

Section 17. KRS 304.6-020 is amended to read as follows:

The following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

(1) Good will, trade names, and other like intangible assets, except as expressly permitted and as prescribed by the National Association of Insurance Commissioners' accounting practices and procedures;

(2) Advances to officers or directors (other than policy loans) whether secured or not, and advances to employees, agents and other persons on personal security only;

(3) Stock of such insurer, owned by it, or loans secured thereby. Any such stock owned by such insurer shall be held as treasury stock and be deducted from the total issue of outstanding shares;

(4) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature and supplies~~.~~***. The following assets are not excluded assets under this subsection:***

(a) [~~(other than~~]Equipment authorized under subsection (1) of KRS 304.6-010[~~)~~];

(b) ***For***[~~, except in the case of~~] title insurers such materials and plants as the insurer is expressly authorized to invest in under paragraph (k) of subsection (1) of KRS 304.6-010***;***

(c) ~~[and except, in the case of an insurer,]~~Such personal property as the insurer is permitted to hold pursuant to Subtitle 7 or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer, other than real estate used by it for home office, branch office, and similar purposes; and

(d) For health reporting entities, furniture, medical equipment, fixtures, and leasehold improvements used for the direct delivery of health care services.

(5) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code*;*

(6) Due and accrued investment income determined to be uncollectible in accordance with SSAP No. 5;

(7) Due and accrued investment interest determined to be uncollectible in accordance with SSAP No. 5;

(8) Nonoperating system software;

(9) Leasehold improvements that do not meet the definition of assets set forth in SSAP No. 4;

(10) Deposits in suspended depositories;

(11) Receivables determined to be uncollectible or otherwise impaired in accordance with SSAP No. 5;

(12) Automobiles, airplanes, and other vehicles;

(13) A loan receivable and accrued interest, if collateralized by the reporting entity's own stock;

(14) Prepaid expenses;

(15) Any other asset that does not meet the definition of an asset, or has been specifically identified as a nonadmitted asset in the accounting practices and procedures manual.

Section 18. KRS 304.6-040 is amended to read as follows:

In any determination of the financial condition of an insurer, capital stock and liabilities to be charged against its assets shall include:

(1) The amount of its capital stock outstanding, if any, less the amount of shares held by the insurer as treasury stock as provided in subsection (3) of KRS 304.6-020.

(2) The amount, estimated consistent with the provisions of Subtitle 6, necessary to pay all of its unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof.

(3) With reference to life insurance policies and annuity contracts, and disability and accidental death benefits in or supplemental thereto:

(a) The amount of reserves on life insurance policies and annuity contracts in force, valued according to the tables of mortality, rates of interest, and methods adopted pursuant to KRS 304.6-130 to 304.6-180, inclusive.

(b) Reserves for disability benefits, for both active and disabled lives required by paragraph (e) of subsection (2) of KRS 304.6-140.

(c) Reserves for accidental death benefits, required by paragraph (f) of subsection (2) of KRS 304.6-140.

(d) Any additional reserves which may be required by the commissioner consistent with applicable customary and general practice in insurance accounting as set forth in regulations promulgated by the commissioner but no such additional reserve shall be required of any company solely for contingent liabilities which may arise under any agreement, filed with and approved by the commissioner, for the assumption of liability by the company growing out of the acts of its exclusive agents within the course and scope of their representation.

(4) Reserves for health insurance required by KRS 304.6-070.

(5) With reference to insurance other than specified in subsections (3) and (4) of this section, and other than title insurance, the amount of the policy reserves computed in accordance with Subtitle 6.

(6) Taxes, expenses and other obligations due or accrued at the date of the statement.

(7) Deferred tax liabilities as defined in SSAP No. 10.

Section 19. KRS 304.6-050 is amended to read as follows:

(1) As to property, casualty, surety and mortgage guaranty insurance the insurer shall maintain an unearned premium reserve on all policies in force.

(2) Except as provided in KRS 304.6-060 as to marine and transportation risks and in subsection (3) of this section the unearned premium reserve shall be computed, after deduction of applicable reinsurance in solvent insurers, at the insurer's election either:

(a) *On a daily pro rata method basis on each item of premium;*~~[As equal to not less than fifty percent (50%) of the annual premiums in force,]~~ or

(b) On a monthly~~[or more frequent]~~ pro rata basis as to all such reserves.

(3) As to mortgage guaranty insurers, premiums on risks written for one (1) year or less must be reserved on a monthly pro rata basis.

(4) After adopting a method for computing such reserve, an insurer shall not change methods without the approval of the insurance supervisory official of the insurer's domicile.

Section 20. KRS 304.6-090 is amended to read as follows:

For the protection of the ***policyholders against loss during periods of extreme economic contraction***[~~people of this Commonwealth and for the purpose of protecting against the effect of adverse economic cycles~~], each mortgage guaranty insurer shall ***maintain a liability referred to as a statutory contingency reserve. The statutory contingency reserve shall be a separate fund, in addition to the mortgage guaranty insurer's unearned premium reserve***[~~establish a contingency reserve which shall be maintained for one hundred eighty (180) months~~]. [~~To provide for this,~~]The insurer shall annually contribute fifty percent (50%) of the earned premiums ***from mortgage guaranty insurance contracts*** to this ***liability, which shall be maintained for ten (10) years regardless of the coverage period for which premiums were paid***[~~reserve~~]. [~~The earned premiums so reserved may be released, annually, after the specified time of one hundred eighty (180) months has elapsed. However,~~]Subject to the approval of the commissioner, ***the contingency***[~~this~~] reserve may be ***released in any year in which actual incurred losses exceed thirty-five percent (35%) of the corresponding earned premiums. Any reductions shall be made on a first-in, first-out basis. Changes in the reserve shall be recorded directly to unassigned funds***[~~available only for loss payments, when the loss ratio (incurred losses to premiums earned) exceeds twenty percent (20%). This amount so used shall reduce the next subsequent annual release to surplus from the established contingency reserve~~].

Section 21. KRS 304.6-100 is amended to read as follows:

(1) As to casualty insurance transacted by it, each insurer shall maintain at all times reserves in an amount estimated in the aggregate to provide for payment of all losses and claims incurred, whether reported or unreported, which are unpaid and for which the insurer may be liable, and to provide for the expenses of adjustment or settlement of losses and claims. The reserves shall be computed in accordance with regulations from time to time made by the commissioner, after due notice and hearing, upon reasonable consideration of the ascertained experience and the character of such kind of business for the purpose of adequately protecting the insured and the solvency of the insurer.

(2) Whenever the loss and loss expense experience of the insurer show that reserves, calculated in accordance with such regulations, are inadequate, the commissioner may require the insurer to maintain additional reserves.

(3)[~~The minimum reserve requirements prescribed by the commissioner for unpaid losses and loss expenses incurred during each of the most recent three (3) years for coverages included in the lines of business described in the insurer's annual statement as workers' compensation, liability other than auto (B.I.), and auto liability (B.I.) shall not be less than the following: for workers' compensation, sixty five percent (65%) of premiums earned during each year less the amount already paid for losses and expenses incidental thereto incurred during such year; for liability other than auto (B.I.) and auto liability (B.I.), sixty percent (60%) of premiums earned during each year less the amount already paid for losses and expenses incidental thereto incurred during such year.~~

~~(4)~~] The commissioner may, by regulation, prescribe the manner and form of reporting pertinent information concerning the reserves provided for in this section.

Section 22. KRS 304.6-171 is amended to read as follows:

(1) This section shall become operative at the end of the first full calendar year following the year of enactment.

(2) Every life insurance company doing business in this state shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by administrative regulation are computed appropriately, are based on assumptions which satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The commissioner by administrative regulation shall define the specifics of this opinion and add any other items deemed to be necessary to its scope.

(3) (a) Every life insurance company, except as exempted by or pursuant to administrative regulation, shall also annually include in the opinion required by subsection (2) of this section, an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by administrative regulation, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including but not limited to the investment earnings on the assets and the considerations anticipated to be received and retained under the polices and contracts, make adequate provision for the company's obligations under the policies and contracts, including but not limited to the benefits under and expenses associated with the policies and contracts.

(b) The commissioner may provide by administrative regulation for a transition period for establishing any higher reserves which the qualified actuary may deem necessary in order to render the opinion required by this section.

(4) Each opinion required by subsection (2) of this section shall be governed by the following provisions:

(a) A memorandum, in form and substance acceptable to the commissioner as specified by administrative regulation, shall be prepared to support each actuarial opinion.

(b) If the insurance company fails to provide a supporting memorandum at the request of the commissioner within a period specified by administrative regulation or the commissioner determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the administrative regulations or is otherwise unacceptable to the commissioner, the commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum as is required by the commissioner.

(5) Every opinion shall be governed by the following provisions:

(a) The opinion shall be submitted with the annual statement reflecting the valuation of reserve liabilities for each year ending on or after December 31, 1996.

(b) The opinion shall apply to business in force including individual and group health insurance plans, in form and substance acceptable to the commissioner as specified by administrative regulation.

(c) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board and on such additional standards as the commissioner may by administrative regulation prescribe.

(d) In the case of an opinion required to be submitted by a foreign or alien company, the commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state.

(e) For the purposes of this section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirements set forth in administrative regulations.

(f) Except in cases of fraud or willful misconduct, the qualified actuary shall not be liable for damages to any person, other than the insurance company and the commissioner, for any act, error, omission, decision, or conduct with respect to the actuary's opinion.

(g) Disciplinary action by the commissioner against the company or the qualified actuary shall be defined in administrative regulations by the commissioner.

(h) ***Except as provided in Section 1 of this Act, documents, materials, or other information in the possession or control of the commissioner that are a memorandum in support of the opinion, and any other material provided by the company to the commissioner in connection with the memorandum, shall be confidential by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act.***

(i) Any memorandum in support of the opinion, and any other material provided by the company to the commissioner in connection ***may***[~~therewith, shall be kept confidential by the commissioner and shall not be made public and shall not~~] be subject to subpoena[~~, other than~~] for the purpose of defending an action seeking damages from ***the actuary submitting the memorandum***[~~any person~~] by reason of any action required by this section or by administrative regulations promulgated hereunder.

(j) The memorandum or other material may otherwise be released by the commissioner with the written consent of the company or to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the commissioner for preserving the confidentiality of the memorandum or other material.

(k) Once any portion of the confidential memorandum is cited by the company in its marketing, or is cited before any governmental agency other than a state insurance department, or is released by the company to the news media, all portions of the confidential memorandum shall be no longer confidential.

Section 23. KRS 304.6-180 is amended to read as follows:

(1) If in any contract year the gross premium charged by any life insurer on any policy or contract, which is subject to subsection (2) of KRS 304.6-140, is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon, but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such policy or contract shall be the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy or contract, or the reserve calculated by the method actually used for such policy or contract but using the minimum standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest referred to in this section are those standards stated in KRS 304.6-140 and 304.6-145. Provided that for any life insurance policy issued on or after January 1, 1986, for which the gross premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the foregoing provisions of this section shall be applied as if the method actually used in calculating the reserve for such policy were the method described in KRS 304.6-150, ignoring the second subsection of that section. The minimum reserve at each policy anniversary of such a policy shall be the greater of the minimum reserve calculated in accordance with KRS 304.6-150, including the second subsection of that section, and the minimum reserve calculated in accordance with this section.

(2) When the anticipated losses, loss adjustment expenses, commissions, and the acquisition costs, and maintenance costs

exceed the recorded unearned premium reserve, and any future installment premiums on existing policies, a premium deficiency reserve shall be recognized by a property and casualty insurer by recording an additional liability for the deficiency, with a corresponding charge to operations. Commission and other acquisition costs need not be considered in the premium deficiency analysis to the extent they have previously been expensed. For purposes of determining if a premium deficiency exists, insurance contracts shall be grouped in a manner consistent with how policies are marketed, serviced, and measured. A liability shall be recognized for each grouping where a premium deficiency is indicated. Deficiencies shall not be offset by anticipated profits in other policy groupings. If a premium deficiency reserve is established, disclosure of the amount of that reserve shall be made in the financial statements. If a reporting entity utilizes anticipated investment income as a factor in the premium deficiency calculation, disclosure of this shall be made in the financial statements.

(3) When the anticipated losses, loss adjustment expenses, commissions and other acquisition costs, and maintenance costs exceed the recorded unearned premium reserve, contingency reserve, and the estimated future renewal premium on existing policies, a mortgage guaranty insurer shall recognize a premium deficiency reserve by recording an additional liability for the deficiency with a corresponding charge to operations. Commissions and other acquisition costs need not be considered in the premium deficiency analysis to the extent they have been expensed. If a mortgage guaranty insurer utilizes anticipated investment income as a factor in the premium deficiency calculation, disclosure of this shall be made in the financial statements.

(4) When the expected claims payments or incurred costs, claim adjustment expenses and administration costs exceed the premiums to be collected for the remainder of a contract period, an individual or group accident and health insurer or health maintenance organization shall recognize a premium deficiency reserve by recording an additional liability for the deficiency, with a corresponding charge to operations. For purposes of determining if a premium deficiency exists, contracts shall be grouped in a manner consistent with how policies are marketed, serviced, and measured. A liability shall be recognized for each grouping where a premium deficiency is indicated. Deficiencies shall not be offset by anticipated profits in other policy groupings. Such accruals shall be made for any loss contracts, even if the contract period has not yet started.

Section 24. KRS 304.8-010 is amended to read as follows:

(1) All deposits of assets of insurers required or permitted under this code and made in this state shall be made and maintained with the ***commissioner.***[~~custodian of insurance securities of this state, hereinafter called "custodian."~~]

(2) In addition to deposits required for an insurer's authority to transact insurance in this state, an insurer may deposit and maintain with the ***commissioner***[~~custodian~~] deposit of assets:

(a) Required of an insurer by the laws of other states as prerequisite for authority to transact insurance in such other states.

(b) Required by application of the retaliatory provision, KRS 304.3-270.

(c) In such additional amounts as is permitted by this subtitle, or as expressly required by this code.

Section 25. KRS 304.8-020 is amended to read as follows:

(1) All[~~ such~~] deposits shall be held by the ***commissioner***[~~custodian~~] in trust for the benefit and protection of all of the insurer's policyholders and creditors in the United States.

(2) The deposit of a domestic insurer shall further be security for payment of taxes, assessments, forfeitures, fines, or other charges due and unpaid to this state or any other state in which the insurer has been authorized to transact insurance, and may be applied to ***the***[~~such~~] extent as may be necessary for[~~ such~~] payment.

(3) Except, that deposits required pursuant to the retaliatory provision, KRS 304.3-270, or required of a domestic insurer pursuant to the laws of another state, may be limited to ***the***[~~such~~] uses and purposes as ***are***[~~is~~] consistent with ***the***[~~such~~] provision or laws. But no[~~ such~~] deposit so required of a domestic insurer shall be allowed in lieu of or as a credit upon any deposit required of ***an***[~~such~~] insurer under this subtitle if the purpose of ***the***[~~such~~] deposit so required by another state is materially inconsistent with the purpose stated in subsection (1) of this section.

Section 26. KRS 304.8-040 is amended to read as follows:

(1) The commissioner may accept the home office real property of a domestic insurer as a part of any deposit of assets required of the insurer under this code. For ***this***[~~such~~] purpose the insurer shall convey such real property by deed to the commissioner, and the deed shall be duly recorded and deposited with the ***commissioner***[~~custodian~~].

(2) Real property so deposited shall not be sold or further encumbered by the insurer except upon advance approval of the commissioner after full submission of the purposes and detail of ***the***[~~any such~~] sale or encumbrance to the commissioner. The commissioner shall join in the execution of any deed or other document required to consummate ***the***[~~such~~] sale or encumbrance. Upon ***the***[~~any such~~] sale or encumbrance the insurer shall deposit other assets in lieu of ***this***[~~such~~] real property.

(3) ***This***[~~Such~~] real property shall be valued at its fair value as determined by the commissioner.

Section 27. KRS 304.8-090 is amended to read as follows:

(1) The commissioner shall designate at least one (1) ***bank***[~~but not more than five (5) banks~~] or trust ***company***[~~companies~~] in

each county of this state containing a city of the first class and[~~ such~~] other banks as proposed by the insurer and approved by the commissioner ***which***[~~whose vaults~~] shall be used as depositories for assets of insurers deposited under this code.

(2) ***Any expense associated with***[~~Each insurer~~] depositing assets ***under this chapter*** shall ***be borne by the insurer***[~~, at its own expense, rent space therefor in the vaults of the banks or trust companies so designated~~].

Section 28. KRS 304.8-095 is amended to read as follows:

Notwithstanding any other provision of law, the commissioner may cause any or all deposits of assets of insurers required or permitted under this code and maintained in this state to be made and maintained in trust with depositories designated pursuant to KRS 304.8-090(1) under trust agreements to which[~~ such~~] depositories, insurers, and the commissioner are parties, for the purpose of this subtitle. ***These***[~~Such~~] trust agreements shall provide with respect to deposits thereunder provisions, conditions and stipulations corresponding to those applicable to other deposits under this subtitle and shall require[~~ such~~] depositories to perform the same duties with respect to deposits thereunder as the ***commissioner***[~~custodian of insurance securities~~] is required to perform with respect to other deposits under the subtitle. Insurers who have made deposits under ***these***[~~such~~] trust agreements shall be relieved of all other obligations under this subtitle with respect to the assets deposited thereunder.

Section 29. KRS 304.8-100 is amended to read as follows:

As to each insurer making or having a deposit the commissioner[~~ and custodian~~] shall keep a complete record thereof showing:

(1) The particular assets so deposited.

(2) The face value, if any, of any[~~ such~~] asset, and the value thereof as determined by the commissioner.

(3) Date of deposit, and place thereof.

(4) Assets withdrawn, date thereof, value of assets so withdrawn, and the name and address of any person to whom ***the***[~~such~~] assets were delivered.

(5) ***All***[~~Such~~] other information as the commissioner deems necessary.

Section 30. KRS 304.8-110 is amended to read as follows:

(1) The commissioner may at any time inventory assets on deposit as to any insurer. Upon request of the insurer the commissioner shall make[~~ such~~] an inventory at the insurer's expense, and shall furnish the insurer a copy thereof. All inventories shall be made in the presence of the commissioner and two (2) representatives of the insurer designated for the purpose by its board of directors.

(2) Upon request, the ***commissioner***[~~custodian~~] shall give to any insurer depositing assets a certificate thereof describing the assets and setting forth their par value, if any, and their value, which valuation shall be ***determined by***[~~subject to the approval of~~] the commissioner.

Section 31. KRS 304.8-150 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, every domestic life insurer shall, within ninety (90) days after the net cash value of each policy in force has been ascertained as required by law, deposit with the ***commissioner***[~~custodian of insurance securities~~] for the security and benefit of its policyholders, assets in an amount which, together with ***the***[~~such~~] sums as may be deposited by it with other states and governments by the requirements of their laws, shall be not less than the ascertained valuation of all policies in force less any sums that it has advanced from its legal reserve to its policyholders on the pledge to it of their policies and any accumulations thereon.

(2) If the legal reserve or the aggregate ascertained valuation of all policies in force in any domestic life insurer equals $20,000,000, no further deposit shall be required of the insurer so long as the legal reserve remains at or above $20,000,000, unless the insurer elects to represent on its policies or otherwise that the legal reserve or cash value of its policies thereafter written is on deposit with this state or one or more of its designated agencies, in which event the insurer shall deposit assets as above set out in an amount equal to the ascertained valuation of all of its policies in force at the time the representation is made.

Section 32. KRS 304.8-170 is amended to read as follows:

(1) Any[~~ such~~] required deposit shall be released, in addition to circumstances already provided for, in these instances only:

  (a) Upon extinguishment of substantially all liabilities of the insurer for the security of which the deposit is held, by reinsurance contract or otherwise.

  (b) If ***the***[~~such~~] deposit is no longer required under this code.

  (c) If the deposit was made pursuant to the retaliatory provision, KRS 304.3-270, it shall be released in whole or in part when no longer so required.

  (d) Upon proper order of a court of competent jurisdiction the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer.

(2) No[~~ such~~] release shall be made except on application to and written order of the commissioner made upon proof satisfactory to him of the existence of one of ***the***[~~such~~] grounds therefor.[~~ The custodian shall release the deposit upon such order of the commissioner.~~] The commissioner shall not have any personal liability for any[~~ such~~] release of any deposit or part thereof so ordered by him in good faith.

(3) All release of deposits or any part thereof shall be made to the person then entitled thereto upon proof of right satisfactory to the commissioner.

Section 33. KRS 304.8-180 is amended to read as follows:

(1) Access shall not be had to the vaults wherein the assets are deposited, nor shall any[~~ such~~] assets be removed therefrom, except upon the written order of at least two (2) officers authorized for the purpose by the insurer's board of directors or other governing body, which order must have been approved by the commissioner.

(2) The vaults wherein assets are deposited shall be opened and assets deposited or removed only in the joint presence of the *commissioner*[~~custodian~~] and two (2) representatives of the insurer authorized for the purpose by the insurer's board of directors or other governing body.

(3) Except, that the vaults may be opened and assets deposited or removed under the direction and upon the order of a court of competent jurisdiction, and in the presence of the *commissioner*[~~custodian~~].

Section 34. KRS 304.8-190 is amended to read as follows:

(1) Insurers maintaining deposits of assets in this state under this subtitle, shall pay into the examination expense revolving fund as provided in Subtitle 2 of this chapter, moneys sufficient to pay travel[~~, compensation~~] and other necessary expenses of the *commissioner related to the maintenance, valuation, protection, or administration of the insurer's deposits*[~~custodian of insurance securities, through the office of the commissioner of insurance~~].

(2) The portion of *the*[~~such~~] expense fund to be paid by each[~~ such~~] insurer shall be in the same approximate proportion as the amount *the*[~~such~~] insurer had on deposit on December 31 of the preceding year bears to the total such deposits of all insurers as of December 31 of the preceding year. The commissioner shall assess each insurer for its proportionate share of *the*[~~such~~] expense fund. The minimum charge for each insurer shall be five dollars ($5).

Section 35. KRS 304.13-390 is amended to read as follows:

If the state fire marshal gives notice that any authorized insurer has failed to comply with the provisions of KRS 227.250, the commissioner may revoke or suspend the insurer's certificate of authority[

~~(1) The commissioner shall ascertain as soon as practicable the annual fire loss in each municipality in the Commonwealth; obtain, make and maintain a record thereof and collect such data with respect thereto as will enable the commissioner to classify the fire losses in each municipality in the Commonwealth, the causes thereof, and the amount of premiums collected therefor for each class of risks and the amount paid thereon, in such manner as will aid in determining equitable insurance rates, methods of reducing such fire losses and reducing the insurance rates for risks in each municipality in the Commonwealth as provided in this section.~~

~~(2) The commissioner shall compile for each municipality in Kentucky a list of the insured fire losses in excess of five hundred dollars ($500) per loss paid in that municipality for the preceding statistical year.~~

~~(3) The list shall include:~~

~~(a) The names of persons recovering insured losses;~~

~~(b) The addresses or locations where the losses occurred; and~~

~~(c) The amount paid by the insurance company on each loss.~~

~~(4) The commissioner shall obtain the information to make the lists from insurance company reports of individual losses during the statistical year, either directly from such insurance companies or from such lawful rating organization or agency of which such insurance companies may be a member or subscriber.~~

~~(5) Each municipality shall examine its list to determine the losses actually occurring in its limits and shall make a report to the fire marshal, which report shall include:~~

~~(a) A list of the losses that occurred within the limits of the municipality;~~

~~(b) A list of the losses not occurring within the municipality; and~~

~~(c) Other evidence essential to establishing the losses in the municipality. The fire marshal shall transmit a copy of each municipality's report to the commissioner.~~

~~(6) The commissioner shall make such changes or corrections as he shall determine to be necessary in order to correct the list of insured fire losses paid in a particular municipality~~].

Section 36. KRS 304.24-040 is amended to read as follows:

(1) This section applies to stock, combined stock and mutual life, or mutual insurers hereafter incorporated in this state. *The*[~~Such an~~] insurer may be formed for the purpose of transacting any kind or kinds of insurance, as well as annuity business.

(2) Incorporators. Three (3) or more individuals, none of whom is less than eighteen (18) years of age, may incorporate a stock insurer; ten (10) or more individuals may incorporate a mutual insurer.[~~At least a majority of the incorporators must be citizens of the United States. At least a majority of the incorporators must be residents of Kentucky.~~]

(3) Articles. The incorporators shall deposit the articles of incorporation, in quadruplicate originals, with the commissioner, and the articles shall not be filed with the Secretary of State until approved by the commissioner as provided in KRS

304.24-050, and the commissioner's approval has been stamped upon or otherwise attached to the articles. In addition to the applicable requirements of laws in this state governing the incorporation of business corporations generally:

(a) The name of the corporation, which shall be subject to KRS 304.3-100, shall contain the words "insurance company;" if a mutual, or a combined stock and mutual, the word "mutual" must be a part of the name.

(b) The articles of incorporation shall specify the kind or kinds of insurance proposed to be transacted.

(c) Each share of capital stock shall have a par value of not less than $1.00.

(d) If a mutual, or a combined stock and mutual life, the articles of incorporation shall state the maximum contingent liability of its participating policyholder members, other than as to nonassessable policies, for payment of losses and expenses incurred. ***The***[~~Such~~] liability shall be as stated in the articles of incorporation, but shall not be less than one (1) or more than six (6) times the premium for member's policy at the annual premium rate for a term of one (1) year.

(e) The names and residence addresses of the incorporators.

(4) Unless otherwise provided in the articles of incorporation or an amendment thereto, each stockholder of a combined stock and mutual life insurance company shall, at all meetings, be entitled to one (1) vote for each share of common stock held by him, and each holder of a policy entitled to participate in profits or savings shall be a member and, as such, shall be entitled to vote on the same basis to which he would be entitled in a mutual company under KRS 304.24-210.

Section 37. KRS 304.24-300 is amended to read as follows:

(1) A domestic stock or mutual insurer may borrow money to defray the expenses of its organization, provide it with surplus funds, or for any purpose of its business, upon a written agreement that such money is required to be repaid only out of the insurer's surplus in excess of that stipulated in such agreement. The agreement may provide for interest, which interest shall or shall not constitute a liability of the insurer as to its funds other than such excess of surplus, as stipulated in the agreement. No commission or promotion expense shall be paid in connection with any such loan, except that if public offering and sale is made of the loan securities, the insurer may pay the reasonable costs thereof approved by the commissioner.

(2) Money so borrowed, together with the interest thereon if so stipulated in the agreement, shall not form a part of the insurer's legal liabilities except as to its surplus in excess of the amount thereof stipulated in the agreement, or be the basis of any setoff; but until repaid, financial statements filed or published by the insurer shall show as a footnote thereto the amount thereof then unpaid together with any interest thereon accrued but unpaid. ***A surplus note shall be reported as surplus and not as debt only if the surplus note contains the following provisions:***

(a) Subordination to policyholder; and

(b) Subordination to claimant and beneficiary claims; and

(c) Subordination to all other classes of creditors other than surplus note holders; and

(d) Interest payments and principal repayments require prior approval of the state of domicile.

(3) Any such loan shall be subject to the commissioner's approval. The insurer shall in advance of the loan, file with the commissioner a statement of the purpose of the loan and a copy of the proposed loan agreement. The loan and agreement shall be deemed approved unless within fifteen (15) days after date of such filing the insurer is notified of the commissioner's disapproval and the reasons therefor. The commissioner shall disapprove any proposed loan or agreement if he finds the loan is unnecessary or excessive for the purpose intended, or that the terms of the loan agreement are not fair and equitable to the parties and to other similar lenders, if any, to the insurer, or that the information so filed by the insurer is inadequate.

(4) Any such loan or substantial portion thereof shall be repaid by the insurer when no longer reasonably necessary for the purpose originally intended. No repayment of such a loan shall be made unless approved in advance by the commissioner.

(5) This section shall not apply to other kinds of loans obtained by the insurer in ordinary course of business, nor to loans secured by pledge or mortgage of assets.

Section 38. KRS 304.24-415 is amended to read as follows:

(1) (a) Every insurer domiciled in this state shall file a report with the commissioner disclosing material acquisitions and dispositions of assets or material nonrenewals, cancellations, or revisions of ceded reinsurance agreements unless the acquisitions and dispositions of assets or material nonrenewals, cancellations, or revisions of ceded reinsurance agreements have been submitted to the commissioner for review, approval, or information purposes pursuant to other provisions of this chapter.

(b) The report required in paragraph (a) of this subsection is due within fifteen (15) days after the end of the calendar month in which any of the foregoing transactions occur.

(c) One (1) complete copy of the report, including any exhibits or other attachments, shall be filed with:

1. The insurance department of the insurer's state of domicile; and

2. The National Association of Insurance Commissioners.

(d) All reports ***in the possession or control of the commissioner*** obtained by or disclosed to the commissioner pursuant to this section shall be[~~given~~] confidential ***by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act. However, the reports may***[~~treatment and shall not be subject to subpoena and shall not~~] be made public by the commissioner, ***with either***[~~the National Association of Insurance Commissioners, or any other person, except to insurance departments of other states, without~~] the prior written consent of the insurer to which it pertains ***or a finding by***[~~unless~~] the commissioner, after giving the insurer who would be affected notice and opportunity to be heard,[~~determines~~] that the interest of policyholders, shareholders, or the public will be served by publication, in which event the commissioner may publish all or any part ***of the reports*** in the manner the commissioner may deem appropriate.

(2) (a) No acquisitions or dispositions of assets need be reported pursuant to subsection (1) of this section if the acquisitions or dispositions are not material. For purposes of this section, a material acquisition, or the aggregate of any series of related acquisitions during any thirty (30) day period, is one that is nonrecurring and not in the ordinary course of business and involves more than five percent (5%) of the reporting insurer's total admitted assets as reported in its most recent statutory statement filed with the insurance department of the insurer's state of domicile.

(b) 1. Asset acquisitions subject to this section include every purchase, lease exchange, merger, consolidation, succession, or other acquisition other than the construction or development of real property by or for the reporting insurer or the acquisition of materials for such purpose.

2. Asset dispositions subject to this section include every sale, lease, exchange, merger, consolidation, mortgage, hypothecation, assignment (whether for the benefit of creditors or otherwise), abandonment, destruction, or other disposition.

(c) 1. The following information is required to be disclosed in any report of a material acquisition or disposition of assets:

a. Date of the transaction;

b. Manner of acquisition or disposition;

c. Description of the assets involved;

d. Nature and amount of the consideration given or received;

e. Purpose of, or reason for, the transaction;

f. Manner by which the amount of consideration was determined;

g. Gain or loss recognized or realized as a result of the transaction; and

h. Names of the persons from which the assets were acquired or to whom they were disposed.

2. Insurers are required to report material acquisitions and dispositions on a nonconsolidated basis unless the insurer is part of a consolidated group of insurers which utilizes a pooling arrangement or one hundred percent (100%) reinsurance agreement that affects the solvency and integrity of the insurer's reserves and the insurer ceded substantially all of its direct and assumed business to the pool. An insurer is deemed to have ceded substantially all of its direct and assumed business to a pool if the insurer has less than one million dollars ($1,000,000) total direct plus assumed written premiums during a calendar year that are not subject to a pooling arrangement and the net income of the business not subject to the pooling arrangement represents less than five percent (5%) of the insurer's capital and surplus.

(3) (a) No nonrenewals, cancellations, or revisions of ceded reinsurance agreements need be reported pursuant to subsection (1) of this section if the nonrenewals, cancellations or revisions are not material. For purposes of this section, a material nonrenewal, cancellation, or revision is one that affects:

1. As respects property and casualty business, including accident and health business written by a property and casualty insurer:

a. More than fifty percent (50%) of the insurer's total ceded written premium; or

b. More than fifty percent (50%) of the insurer's total ceded indemnity and loss adjustment reserves.

2. As respects life, annuity, and accident and health business, more than fifty percent (50%) of the total reserve credit taken for business ceded, on an annualized basis, as indicated in the insurer's most recent annual statement.

3. As respects either property and casualty or life, annuity, and accident and health business, either of the following events shall constitute a material revision which must be reported:

a. An authorized reinsurer representing more than ten percent (10%) of a total cession is replaced by one (1) or more unauthorized reinsurers; or

b. Previously established collateral requirements have been reduced or waived as respects one (1) or more unauthorized reinsurers representing collectively more than ten percent (10%) of a total cession.

(b) No filing shall be required if:

1. As respects property and casualty business, including accident and health business written by a property and casualty insurer, the insurer's total ceded written premium represents, on an annualized basis, less than ten percent (10%) of its total written premium for direct and assumed business; or

2. As respects life, annuity, and accident and health business, the total reserve credit taken for business ceded represents, on an annualized basis, less than ten percent (10%) of the statutory reserve requirements prior to any cession.

(c) The following information is required to be disclosed in any report of a material nonrenewal, cancellation, or revision of ceded reinsurance agreements:

1. Effective date of the nonrenewal, cancellation, or revision;

2. The description of the transaction with an identification of the initiator thereof;

3. Purpose of, or reason for, the transaction; and

4. If applicable, the identity of the replacement reinsurers.

(d) Insurers are required to report all material nonrenewals, cancellations, or revisions of ceded reinsurance agreements on a nonconsolidated basis unless the insurer is part of a consolidated group of insurers which utilizes a pooling arrangement or one hundred percent (100%) reinsurance agreement that affects the solvency and integrity of the insurer's reserves and the insurer ceded substantially all of its direct and assumed business to a pool if the insurer has less than one million dollars ($1,000,000) total direct plus assumed written premiums during a calendar year that are not subject to a pooling arrangement and the net income of the business not subject to the pooling arrangement represents less than five percent (5%) of the insurer's capital and surplus.

Section 39. KRS 304.24-500 is amended to read as follows:

(1) The purpose of this section is to:

(a) Provide a means whereby any insurer organized under the laws of any other state may become a domestic insurer;

(b) Provide a means for any domestic insurer to transfer its domicile to another state; and

(c) Provide a means for the continuation of a certificate of authority and other approvals pertaining to any foreign insurer which transfers its corporate domicile to another state by merger, consolidation, or any other lawful method.

(2) Any insurer which is organized under the laws of any other state and is admitted to do business in this state for the purpose of writing insurance may***, upon approval of the commissioner,*** become a domestic insurer by complying with all of the requirements of this chapter relating to the organization and authorization of a domestic insurer of the same type and by designating its principal place of business at a place in this state. ***The***[~~Such a~~] domestic insurer ***shall***[~~will~~] be entitled to like certificates of authority to transact business in this state, and shall be subject to the authority and jurisdiction of this state.

(3) Any domestic insurer may, upon approval of the commissioner, transfer its domicile to any other state in which it is admitted to transact the business of insurance. Upon ***the***[~~such a~~] transfer ***the***[~~such an~~] insurer shall cease to be a domestic insurer, and shall be authorized to transact insurance business in this state if qualified as a foreign insurer. The commissioner shall approve ***the***[~~any such~~] proposed transfer unless ***the commissioner***[~~he~~] shall determine ***the***[~~such~~] transfer is not in the interest of the policyholders of this state.

(4) The certificate of authority, agents' appointments and licenses, rates, and other items which the commissioner allows, in ***the commissioner's***[~~his~~] discretion, which are in existence at the time any insurer authorized to transact the business of insurance in this state transfers its corporate domicile to this or any other state by merger, consolidation, or merger pursuant to KRS 271B.11-070, or any other lawful method, shall continue in full force and effect upon ***the***[~~such~~] transfer if ***the***[~~such~~] insurer remains duly qualified to transact the business of insurance in this state. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to the new name of the insurer or its new location unless so ordered by the commissioner. Every transferring insurer shall file new policy forms with the commissioner on or before the effective date of the transfer but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as approved by, the commissioner. However, every transferring insurer shall notify the commissioner in writing of the details of the proposed transfer and shall file promptly appropriate amendments to corporate documents required to be filed with the commissioner.

(5) (a) Any insurer transferring its domicile in accordance with subsections (2) or (3) of this section shall file an application for redomestication and transfer of domicile with the commissioner. This transfer of domicile must be approved by order of the commissioner. If the commissioner does not approve the transfer of domicile, the applicant insurer may request a hearing in accordance with KRS 304.2-310(2)(b).

(b) An applicant filing to become a domestic insurer in accordance with subsection (2) of this section shall include a notice of transfer of domicile to the Secretary of State and the articles, amended articles, or restated articles of incorporation in compliance with KRS 271B.2-020.

(c) An application filed by a domestic insurer to transfer its domicile to another state in accordance with subsection

(3) of this section shall include a copy of the order approving the redomestication issued by the new state of domicile.

Section 40. KRS 304.27-060 is amended to read as follows:

(1) Twenty-five (25) or more persons[~~ domiciled in this state~~] may organize a domestic reciprocal insurer and make application to the commissioner for a certificate of authority to transact insurance.

(2) The proposed attorney shall fulfill the requirements of and shall execute and file with the commissioner when applying for a certificate of authority, a declaration setting forth:

(a) The name of the insurer;

(b) The location of the insurer's principal office, which shall be the same as that of the attorney and shall be maintained within this state;

(c) The kinds of insurance proposed to be transacted;

(d) The names and addresses of the original subscribers;

(e) The designation and appointment of the proposed attorney and a copy of the power of attorney;

(f) The names and addresses of the officers and directors of the attorney, if a corporation, or its members, if a firm;

(g) The powers of the subscribers' advisory committee; and the names and terms of office of the members thereof;

(h) A copy of the subscribers' agreement;

(i) That all moneys paid to the reciprocal insurer shall, after deducting therefrom any sum payable to the attorney, be held in the name of the insurer and for the purposes specified in the subscribers' agreement;

(j) A statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than six (6) months at an adequate rate theretofore filed with the commissioner;

(k) A statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by KRS 304.3-120 is on hand; and

(l) A copy of each policy, ***endorsement,***[~~indorsement~~] and application form it then proposes to issue or use.

(3) The declaration shall be acknowledged by the attorney in the manner required for the acknowledgment of deeds.

Section 41. KRS 304.27-070 is amended to read as follows:

(1) The certificate of authority of a reciprocal insurer shall be issued to its attorney in the name of the insurer.

(2) The commissioner may refuse, suspend or revoke the certificate of authority, in addition to other grounds therefor ***including those provided in Subtitles 2 and 3 of this chapter***, for failure of the attorney to comply with any applicable provision of this code.

Section 42. KRS 304.28-070 is amended to read as follows:

Action on any policy or contract of insurance made by the attorney for the underwriters may be brought against the attorney or against the attorney and the underwriters or any of them. In ***an***[~~such~~] action, summons and process shall be served on either the ***Secretary of State as provided in KRS 304.3-230***[~~commissioner~~] or on the attorney and when so served shall have the same force and effect as if served on the attorney and on each underwriter personally. A judgment in any[~~ such~~] action against the attorney or against any of the underwriters shall be binding upon and be a judgment against each and all of the underwriters as their several liabilities may appear in the contract of insurance on which the action is brought.

Section 43. KRS 304.29-101 is amended to read as follows:

A domestic society organized on or after January 1, 1989, shall be formed as follows:

(1) Seven (7) or more ***individuals***[~~citizens of the United States, a majority of whom are citizens of this state,~~] who desire to form a fraternal benefit society, may make, sign and acknowledge before some officer competent to take acknowledgment of deeds, articles of incorporation, in which shall be stated:

(a) The proposed corporate name of the society, which shall not so closely resemble the name of any society or insurance company as to be misleading or confusing;

(b) The purposes for which it is being formed and the mode in which its corporate powers are to be exercised. The purposes shall not include more liberal powers than are granted by this subtitle; and

(c) The names and residences of the incorporators and the names, residences and official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control of the management of the affairs and funds of the society for the first year or until the ensuing election at which all[~~ such~~] officers shall be elected by the supreme governing body, which election shall be held not later than one (1) year from the date of issuance of the permanent certificate of authority.

(2) The articles of incorporation, duly certified copies of the society's bylaws and rules, copies of all proposed forms of certificates, applications therefor, and circulars to be issued by the society and a bond conditioned upon the return to

applicants of the advanced payments if the organization is not completed within one (1) year shall be filed with the commissioner, who may require further information. The bond with sureties approved by the commissioner shall be in an amount, not less than three hundred thousand dollars ($300,000) nor more than one million five hundred thousand dollars ($1,500,000), as required by the commissioner. All documents filed shall be in the English language. If the purposes of the society conform to the requirements of this subtitle and all provisions of the law have been complied with, the commissioner shall so certify, retain and file the articles of incorporation and furnish the incorporators a preliminary certificate of authority authorizing the society to solicit members.

(3) No preliminary certificate of authority granted under the provisions of this section shall be valid after one (1) year from its date or after such further period, not exceeding one (1) year, as may be authorized by the commissioner upon cause shown, unless the five hundred (500) applicants hereinafter required have been secured and the organization has been completed as herein provided. The articles of incorporation and all other proceedings thereunder shall become null and void in one (1) year from the date of the preliminary certificate of authority, or at the expiration of the extended period, unless the society shall have completed its organization and received a certificate of authority to do business.

(4) Upon receipt of a preliminary certificate of authority from the commissioner, the society may solicit members for the purpose of completing its organization, shall collect from each applicant the amount of not less than one (1) regular monthly premium in accordance with its table of rates, and shall issue to each applicant a receipt for the amount so collected. No society shall incur any liability other than for the return of advance premium, nor issue any certificate, nor pay, allow, or offer or promise to pay or allow, any benefit to any person until:

(a) Actual bona fide applications for benefits have been secured on not less than five hundred (500) applicants, and any necessary evidence of insurability has been furnished to and approved by the society;

(b) At least ten (10) subordinate lodges have been established into which the five hundred (500) applicants have been admitted;

(c) There has been submitted to the commissioner, under oath of the president or secretary, or corresponding officer of the society, a list of the applicants, giving their names, addresses, date each was admitted, name and number of the subordinate lodge of which each applicant is a member, amount of benefits to be granted and premiums therefor; and

(d) It shall have been shown to the commissioner, by sworn statement of the treasurer, or corresponding officer of the society, that at least five hundred (500) applicants have each paid in cash at least one (1) regular monthly premium, which premiums in the aggregate shall amount to at least one hundred fifty thousand dollars ($150,000). The advance premiums shall be held in trust during the period of organization; and if the society has not qualified for a certificate of authority within one (1) year, the premiums shall be returned to the applicants.

(5) The commissioner may make examination and require further information as he deems advisable. Upon presentation of satisfactory evidence that the society has complied with all the provisions of law, the commissioner shall issue to the society a certificate of authority to that effect and that the society is authorized to transact business pursuant to the provisions of KRS Chapter 304. The certificate of authority shall be prima facie evidence of the existence of the society at the date of the certificate. The commissioner shall cause a record of the certificate of authority to be made. A certified copy of the record may be given in evidence with like effect as the original certificate of authority.

(6) Any incorporated society authorized to transact business in this state at the time this subtitle becomes effective shall not be required to reincorporate.

(7) No unincorporated or voluntary association shall be permitted to transact business in this state as a fraternal benefit society.

Section 44. KRS 304.29-281 is amended to read as follows:

Societies shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices[

~~(1) The commissioner, or any person he may appoint, may examine any domestic, foreign or alien society transacting or applying for admission to transact business in this state in the same manner as authorized for examination of domestic, foreign or alien insurers. Requirements of notice and an opportunity to respond before findings are made public, as provided in the laws regulating insurers, shall also be applicable to the examination of societies.~~

~~(2) The expense of each examination and of each valuation, including compensation and actual expense of examiners shall be paid by the society examined or whose certificates are valued, upon statements furnished by the commissioner~~].

Section 45. KRS 304.30-060 is amended to read as follows:

(1) Every licensee shall maintain records of its premium finance transactions and the[~~said~~] records shall be open to examination and investigation by the commissioner.[~~The commissioner may at any time require any licensee to bring such records as he may direct to the commissioner's office for examination. Any examination or any part of the examination of any organization subject to the provisions of Subtitle 30 of this chapter shall be made by the commissioner or by examiners designated by him and shall be at the expense of the organization examined as specified in Subtitle 2 of this chapter.~~]

(2) Every licensee shall preserve its records of[~~ such~~] premium finance transactions, including cards used in a card system, for at least *five (5)*[~~three (3)~~] years after making the final entry in respect to any premium finance agreement. The preservation of records in photographic form shall constitute compliance with this requirement.

(3) For the purpose of determining market conduct, business practices, financial condition, ability to fulfill and manner of fulfillment of its obligations, the nature of its operations and compliance with law, the commissioner shall examine the affairs, transactions, accounts, records and assets of each licensed premium finance company as often as reasonably necessary.

(4) Premium finance companies shall be subject to the provisions of KRS 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices.

SECTION 46. A NEW SECTION OF SUBTITLE 32 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) If the certificate of authority of a corporation is suspended, the corporation shall not, during the period of suspension, enroll any additional subscribers or members except newborn children or other newly acquired dependents of existing subscribers or members, and shall not engage in any advertising or solicitation whatsoever.

(2) If the certificate of authority of a corporation is revoked, the corporation shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the corporation. It shall engage in no further advertising or solicitation whatsoever. The commissioner may, by written order, permit further operation of the corporation as the commissioner may find to be in the best interest of subscribers or members, to the end that subscribers or members will be afforded the greatest practical opportunity to obtain continuing coverage. If the commissioner permits further operation, the corporation shall continue to collect the dues and fees required of subscribers or members.

Section 47. KRS 304.32-030 is amended to read as follows:

(1) Any nonprofit corporation organized under the laws of this state for the purpose of establishing, maintaining, and operating a nonprofit plan, whereby hospital care, medical-surgical care, dental care, and other health services are made available to persons who become subscribers to *a*[~~such~~] plan or plans under a contract with the corporation, shall be subject to and be governed by the provisions of this subtitle, and shall be exempt from all other provisions of this code, except as[~~ herein~~] expressly provided in *this subtitle*[~~KRS 304.32-270~~], and no insurance law hereafter enacted shall be deemed to apply to *these*[~~such~~] corporations unless they be specifically referred to therein.

(2) Except as provided in KRS 304.32-300 to 304.32-320, the provisions of this subtitle shall not apply to any employer's self-insured health plan or service established and maintained solely for its members and their immediate families, or to any self-insured health plan or service established, maintained, and insured jointly by any employer and any labor organization or organizations.

Section 48. KRS 304.32-140 is amended to read as follows:

(1) No corporation subject to provisions of this subtitle shall be permitted to do any business in this state unless, in addition to the other requirements of law, it shall have and maintain liquid reserves in an amount not less than five percent (5%) of the corporation's subscription income collected in the preceding year not exceeding two million dollars ($2,000,000), plus two and one-half percent (2.5%) of income exceeding two million dollars ($2,000,000) but not exceeding ten million dollars ($10,000,000), plus one percent (1%) of income exceeding ten million dollars ($10,000,000); but in no event shall reserves be less than five hundred thousand dollars ($500,000). All corporations subject to the provisions of this subtitle shall place on deposit with the *commissioner*[~~custodian of insurance securities~~] a guarantee fund of cash or approved securities in an amount determined by this formula, but not less than five hundred thousand dollars ($500,000) nor more than one million five hundred thousand dollars ($1,500,000). Any amount of liquid reserves required by this subsection in excess of one million five hundred thousand dollars ($1,500,000) shall be maintained by the corporation at all times, but shall not be required to be placed on deposit, provided that *the*[~~such a~~] corporation shall be allowed a period of five (5) years after July 15, 1982, to establish the liquid reserves and deposit the guarantee fund with the commissioner. A corporation subject to the provisions of this subtitle shall at all times comply with the risk-based capital requirements as established in administrative regulations promulgated by the commissioner.

(2) The cash or securities representing the guarantee fund required by this section shall be acceptable to the *commissioner*[~~custodian of insurance securities~~] and *the*[~~such~~] securities shall be negotiable securities.

(3) The investments of a corporation subject to the provisions of this subtitle shall be the same kind of investments which life insurance companies are authorized to have.

Section 49. KRS 304.32-210 is amended to read as follows:

(1) Nonprofit hospital, medical-surgical, dental, and health service corporations shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices[~~The commissioner, or any person authorized by him, shall have power to examine the financial condition, affairs, and management of any corporation subject to the provisions of this subtitle. He shall have free access to all the books, papers,~~

~~and documents relating to the business of the corporation, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employees of any corporation, or any other person in relation to its affairs, transactions, and conditions. The commissioner shall make an examination of each corporation subject to the provisions of this subtitle at least once every four (4) years~~].

(2) Each corporation subject to the provisions of this subtitle may own and invest or have invested any of its funds in its principal office building not to exceed an amount which would reduce its surplus, exclusive of the investment, below $50,000, unless approved by the commissioner.

Section 50. KRS 304.32-270 is amended to read as follows:

Nonprofit hospital, medical-surgical, dental, and health service corporations shall be subject to the provisions of this subtitle, and to the following provisions of this code, to the extent applicable and not in conflict with the express provisions of this subtitle:

(1) Subtitle 1 -- Scope -- General Definitions and Provisions;
(2) Subtitle 2 -- Insurance Commissioner;
(3) Subtitle 7 -- Investments;
(4) Subtitle 8 -- Administration of Deposits;
(5) Subtitle 12 -- Trade Practices and Frauds;
(6) Subtitle 25 -- Continuity of Management;
(7) Subtitle 33 -- Insurers Rehabilitation and Liquidation;
(8) Subtitle 18 -- KRS 304.18-110, 304.18-120 -- Group Conversion and KRS 304.18-045;
(9) Subtitle 4 -- Fees and Taxes;
(10) Subtitle 99 -- Penalties;
(11) Subtitle 14 -- KRS 304.14-500 to 304.14-560;
(12) Subtitle 17A -- Health Benefit Plans;[~~ and~~]
(13) Subtitle 17B --Kentucky Access***;***
(14) Subtitle 3 -- Authorization of Insurers and General Requirements; and
(15) Subtitle 9 -- Agents, Consultants, Solicitors and Adjusters.

Section 51. KRS 304.33-110 is amended to read as follows:

(1) Whenever the commissioner has reasonable cause to believe, and determines[~~, after a hearing held as prescribed in subsection (2) of this section,~~] that any insurer has committed or engaged in, or is committing or engaging in or is about to commit or engage in any act, practice, or transaction that would subject it to formal delinquency proceedings under this subtitle, he may make and serve upon the insurer and any other persons involved an emergency order in accordance with KRS 13B.125, other than seizure orders under KRS 304.33-120, as is reasonably necessary to correct, eliminate, or remedy the conduct, condition, or ground. If the emergency order is for a restoration of or addition to capital, it shall be carried out as provided in KRS 304.24-350.

(2) The commissioner may apply for and any court of general jurisdiction may grant, restraining orders, temporary and permanent injunctions, and other orders as are deemed necessary to enforce an emergency order.

Section 52. KRS 304.37-050 is amended to read as follows:

Documents, materials, or other information in the possession or control of the commissioner that are obtained[~~All information, documents, and copies thereof obtained by or disclosed to the commissioner by any other person~~] in the course of an examination or investigation made pursuant to KRS 304.37-040 and all information reported pursuant to KRS 304.37-020, shall be[~~ given~~] confidential ***by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act. However, the documents, materials, and other information may***[~~treatment and shall not be subject to subpoena and shall not~~] be made public by the commissioner ***with either***[~~or any other person, except to insurance departments of other states, without~~] the prior written consent of the insurer to which it pertains ***or a finding by***[~~unless~~] the commissioner, after giving the insurer and its affiliates who would be affected thereby notice and opportunity to be heard,[~~ determines~~] that the interests of policyholders, shareholders, or the public will be served by the publication thereof, in which event ***the commissioner***[~~he~~] may publish all or any part thereof in such manner as ***the commissioner***[~~he~~] may deem appropriate.

Section 53. KRS 304.37-580 is amended to read as follows:

(1) At no time shall the officers, directors ***who are interested persons***, or insiders of the mutual insurance holding company and its subsidiaries and affiliates beneficially own, in the aggregate, more than eighteen percent (18%) of the voting stock of the insurance company subsidiary of a mutual insurance holding company, an intermediate holding company subsidiary of a mutual insurance company, or an insurance company subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company.

(2) This subsection applies to directors ***who are not interested persons*** of the mutual insurance holding company and its subsidiaries and affiliates. These directors shall not purchase or beneficially own, in the aggregate, more than three percent (3%) of the voting stock of an insurance company subsidiary of a mutual insurance company or an insurance company

subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company.

(3) No person may directly or indirectly offer to acquire or acquire, in any manner, beneficial ownership of more than fifteen percent (15%) of any class of voting securities of an insurance company subsidiary of a mutual insurance holding company, an intermediate holding company subsidiary of a mutual insurance company, or an insurance company subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company.

Section 54. KRS 304.38-120 is amended to read as follows:

Health maintenance organizations shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices[

~~(1) The commissioner, or any person authorized by him, shall have power to examine the financial condition, affairs, and management of any organization subject to the provisions of this subtitle. He shall have free access to all the books, papers, and documents relating to the business of the organization, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employees of any organization, or any other person in relation to its affairs, transactions, and conditions. The commissioner shall make an examination of each organization subject to the provisions of this subtitle at least once every three (3) years.~~

~~(2) Any examination, or any part of the examination of any organization subject to the provisions of this subtitle, shall be made by the commissioner or by examiners designated by him and shall be at the expense of the organization examined as specified in Subtitle 2 of this chapter~~].

Section 55. KRS 304.38-130 is amended to read as follows:

(1) The commissioner may suspend or revoke any certificate of authority issued to a health maintenance organization under this subtitle if *the commissioner finds that any of the conditions exist for which the commissioner could suspend or revoke a certificate of authority as provided in Subtitles 2 and 3 of this chapter or if the commissioner*[~~he~~] finds that any of the following conditions exist:

(a) The health maintenance organization is operating significantly in contravention of its basic organizational document or in a manner contrary to that described in and reasonably inferred from any other information submitted under KRS 304.38-040, unless amendments to such submissions have been filed with and approved by the commissioner;

(b) The health maintenance organization issues evidence of coverage or uses a schedule of charges for health care services which do not comply with the requirements of KRS 304.38-050 *or Subtitle 17A of this chapter*;

(c) The health maintenance organization does not provide or arrange for health care services as approved by the commissioner in KRS 304.38-050(1)(a);

(d) The certificate of need and licensure board certifies to the commissioner that the health maintenance organization fails to meet the requirements of the board or that the health maintenance organization is unable to fulfill its obligations to furnish health care services;

(e) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(f) The health maintenance organization, or any person on its behalf, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;

(g) The continued operation of the health maintenance organization would be hazardous to its enrollees;

(h) The health maintenance organization has otherwise failed to substantially comply with this subtitle.

(2) *If*[~~A certificate of authority shall be suspended or revoked only after compliance with the hearing procedures set out in Subtitle 2.~~

~~(3) When~~] the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of *the*[~~such~~] suspension, enroll any additional enrollees except newborn children or other newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

(3)[~~(4)~~] *If*[~~When~~] the certificate of authority of a health maintenance organization is revoked, *the*[~~such~~] organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of *the*[~~such~~] organization. It shall engage in no further advertising or solicitation whatsoever. The commissioner may, by written order, permit *the*[~~such~~] further operation of the organization as *the commissioner*[~~he~~] may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage. If the commissioner permits[~~ such~~] further operation the health maintenance organization will continue to collect the periodic prepayments required of enrollees.

Section 56. KRS 304.38-170 is amended to read as follows:

(1) All applications, filings, and reports required under this subtitle shall be treated as public documents, except as otherwise provided for herein.

(2) The[~~ insurance law and the~~] nonprofit hospital, medical-surgical, dental, and health service corporation law of this state shall not be applicable to any health maintenance organization granted a certificate of authority under this subtitle. This provision does not apply to an insurer or hospital or medical service corporation licensed and regulated pursuant to the insurance laws or the hospital or medical service corporation laws of this state except with respect to its health maintenance organization activities authorized and regulated pursuant to this subtitle.

SECTION 57. A NEW SECTION OF SUBTITLE 48 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Liability self-insurance groups shall be subject to the provisions of Subtitles 1 and 2 of this chapter to the extent applicable and not in conflict with the expressed provisions of this subtitle.

Section 58. KRS 304.48-110 is amended to read as follows:

Liability self-insurance groups shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices[~~The commissioner or any person authorized by him shall have power to examine the financial condition, affairs, and management of any liability self-insurance group subject to the provisions of this subtitle. He shall have free access to all the books, papers, and documents relating to the business of the organization, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employees of any group, or any person in relation to its affairs, transactions, or conditions. He shall so examine each liability self-insurance group subject to the provisions of this subtitle not less frequently than every four (4) years. Information and other data obtained through the examination shall be subject to the provisions of KRS 304.2-210 to 304.2-290~~].

Section 59. KRS 136.410 is amended to read as follows:

[~~(1)~~]Every bail bondsman doing business in this Commonwealth shall, on or before the first day of March of each year, return to the Revenue Cabinet a statement of all amounts paid to him or his representatives, as premiums for bail bonds written in the courts of this Commonwealth during the preceding calendar year, or since the last returns were made, and shall at the same time pay a tax of two dollars ($2) upon each one hundred dollars ($100) of such amounts paid to the bail bondsman or his representatives. Amounts received for reimbursement for expenses or court costs are not to be considered as premiums for the purposes of this section.

[~~(2) In addition to the requirements of subsection (1) of this section, a copy of the statement of all amounts paid to the bail bondsman or his representatives, whether designated as premiums or otherwise, shall be filed with the commissioner of insurance at the same time the bail bondsman files his report of assets and liabilities as required by KRS 304.34-050(1).~~]

Section 60. KRS 304.2-195 is amended to read as follows:

(1) The commissioner may enter into interstate compacts for issuing certificates of authority to insurers if the commissioner determines that:

(a) Each state participating in the compact has requirements for issuing certificates of authority that provide protections substantially similar to or greater than the requirements of this subtitle; or

(b) The interstate compact contains requirements for issuing certificates of authority that provide protections substantially similar to or greater than the requirements of this subtitle.

(2) In lieu of the documents required in KRS 304.3-150[~~(1) to (14)~~] to be filed with an application for certificate of authority, the commissioner may accept documentation in accordance with the terms of the interstate compact.

(3) The commissioner may issue certificates of authority to insurers in accordance with the terms of the interstate compact.

Section 61. KRS 431.510 is amended to read as follows:

(1) It shall be unlawful for any person to engage in the business of bail bondsman as defined in ***subsection (3) of this section***[~~KRS 304.34-010(1)~~], or to otherwise for compensation or other consideration:

(a) Furnish bail or funds or property to serve as bail; or

(b) Make bonds or enter into undertakings as surety;

for the appearance of persons charged with any criminal offense or violation of law or ordinance punishable by fine, imprisonment or death, before any of the courts of this state, including city courts, or to secure the payment of fines imposed and of costs assessed by such courts upon a final disposition.

(2) Nothing contained herein shall serve to release any bail bondsman heretofore licensed by this state from the obligation of undischarged bail bond liability existing on June 19, 1976.

(3) ***"Bail bondsman" shall mean any person, partnership or corporation engaged for profit in the business of furnishing bail, making bonds or entering into undertakings, as surety, for the appearance of persons charged with any criminal offense or violation of law or ordinance punishable by fine, imprisonment, or death, before any of the courts of this state, or securing the payment of fines imposed and of costs assessed by such courts upon final disposition thereof, and the business of a bail bondsman shall be limited to the acts, transactions and undertakings described in this subsection and to no other***[~~Within thirty (30) days from June 19, 1976, every bail bondsman heretofore licensed under Chapter 304, Subtitle 34, shall furnish to the commissioner of the Department of Insurance a certified copy of his daily bond register~~

~~required by KRS 304.34-070, and the commissioner shall retain the securities of each bail bondsman deposited with the custodian of insurance securities until all undertakings shall have been paid and satisfied in full~~].

(4) KRS 431.510 to 431.550 shall not be construed to limit or repeal KRS 431.021 or to prevent licensed insurers providing security required by Subtitle 39 of KRS Chapter 304 and nonprofit associations from posting or causing to be posted by licensed insurers security or acting as surety for their insureds or members for an offense arising from the operation of a motor vehicle, provided that such posting of security or acting as surety is merely incidental to the terms and conditions of an insurance contract or a membership agreement and provided further that no separate premium or charge therefor is required from the insureds or members.

Section 62. The following KRS sections are repealed:

304.8-060 Custodian of insurance securities.
304.8-070 Custodian's duties, bond.
304.13-043 Hearings on insurance for political subdivisions.
304.32-220 Examination expense.
304.32-230 Hearings -- Appeal.
304.34-010 Definitions for KRS 304.34-020 to 304.34-140.
304.34-020 Commissioner's power to regulate and enforce -- Application for license.
304.34-030 Bail bondsman's license required.
304.34-040 Security required of bondsmen.
304.34-042 Return of securities deposited by bail bondsman.
304.34-045 Filing of rate schedules required -- Premiums not to exceed approved rates.
304.34-050 Actions required of licensed bondsmen.
304.34-060 Affidavit as to consideration for bail bond.
304.34-070 Records required of bondsmen.
304.34-075 Semiannual reports by bondsmen -- Contents.
304.34-080 Actions prohibited to bondsmen -- Persons prohibited from being bondsmen.
304.34-090 Causes for failure to renew, suspension, or revocation of license.
304.34-100 Procedure on failure to renew, suspension, or revocation of license.
304.34-110 Provisions as to suspension or revocation.
304.34-120 Action on bondsman's license involves other insurance licenses.
304.34-130 Administrative penalties.
304.34-140 Permissible city ordinances.
304.34-160 Commissioner to notify clerks of licensed bondsmen's names, suspensions, revocations, reinstatements -- Clerk's reports.
304.99-030 Penalties for violation of bail bondsman licensing law.

The Committee Substitute to **HB 481** is as follows:

HB 481, AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 2 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Documents, materials, or other information in the possession or control of the commissioner that are deemed confidential by subsection (3) of this section or by any provision of this chapter shall be confidential by law and privileged, shall not be subject to the Kentucky Open Records Act, KRS 61.872 to 61.884, and shall not be subject to subpoena except in a criminal action. The commissioner, or his or her designee, shall not be required to produce documents, materials, or other information pursuant to subpoena in a private civil action, except by court order, which court shall issue appropriate safeguards to protect against disclosure of proprietary information, applicable privilege or claim of confidentiality. However, the commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties.

(2) Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (1) of this section.

(3) In order to assist in the performance of the commissioner's duties, the commissioner:

(a) May share documents, materials, or other information, including the confidential and privileged documents,

materials, or information subject to subsection (1) of this section, with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners, its affiliates, or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information;

(b) May receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners, its affiliates, or subsidiaries, regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(c) May enter into agreements governing sharing and use of information consistent with this subsection.

(4) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized by subsection (3) of this section.

Section 2. KRS 304.2-065 is amended to read as follows:

(1) There is created within the Department of Insurance the position of early warning analyst.

(2) The commissioner shall appoint a qualified person to serve as early warning analyst.

(3) The early warning analyst shall detect domiciled companies and companies doing a significant amount of business in the Commonwealth that are in a hazardous or potentially hazardous financial condition.

(4) The early warning analyst shall be part of the Financial Standards and Examination Division.

(5) The early warning analyst shall:

(a) Take advantage of the information available through the Insurance Regulatory Information System and use the information to monitor insurers;

(b) Seek information from other states' detection programs;

(c) Work with other Department of Insurance employees representing key regulatory areas of the department;

(d) Coordinate and develop the use of an indicator list to determine if an insurer is in a hazardous condition. The indicator list shall include but is not limited to the following indicators:

1. An insurer fails to file a timely financial statement as established in KRS Chapter 304;
2. An insurer files financial information which is false or misleading;
3. An insurer overstates its surplus by twenty-five percent (25%) or more;
4. An insurer fails to grant authorization to amend its financial statement when requested;
5. An insurer's financial ratios are outside of the usual range established by the National Association of Insurance Commissioners in the Insurance Regulatory Information System;
6. A projection by the department of an insurer's current financial condition indicates that the sum of its paid-in capital, paid-in surplus, and contributed surplus will be reduced within the next twelve (12) months;
7. An insurer's aggregate net retained risk, direct or assumed, under any one (1) insurance policy or certificate of insurance under a group policy is more than ten percent (10%) of the insurer's surplus, except where otherwise permitted by law;
8. An insurer's reserves for losses and loss adjustment expenses are discounted more than ten percent (10%) of the surplus;
9. An affiliate or subsidiary of an insurer is unable to pay its obligations as the obligations become due and payable;
10. A life, accident, and health insurer has premium writings that result in the surplus being less than five percent (5%) of the aggregate general account reserves for the life insurance in force plus twenty-five percent (25%) of the new annualized accident and health premium writing;
11. An insurer has reinsurance reserve credits, recoverable or receivable, that are disputed by the reinsurer, or are due and payable and remain unpaid, and the reinsurance credits, recoverables, and receivables are more than ten percent (10%) of an insurer's surplus;
12. An insurer consistently issues subordinate premium or surplus debentures to finance its operations;
13. An insurer fails to adequately maintain books and records in a manner that permits examiners to determine the financial condition of the insurer;
14. An insurer has reinsurance agreements affecting twenty percent (20%) or more of the insurer's gross written premiums, direct or assumed, and the assuming insurers are not licensed to do insurance business in the Commonwealth of Kentucky;

15. An insurer's management does not have the experience, competence, or trustworthiness to operate the insurer in a safe and sound manner;

16. An insurer's management engages in unlawful transactions;

17. An insurer fails to have an appraisal made on real estate upon which the insurer has made a mortgage loan;

18. An insurer fails to comply with the terms of an agreement with an affiliate;

19. An insurer has a pattern of refusing to settle valid claims within a reasonable time after due proof of the loss has been received;

20. An insurer fails to follow a policy on rating and underwriting standards appropriate to the risk;

21. An insurer violates KRS Chapter 304;

22. A final administrative or judicial order, initiated by an insurance regulatory agency of another state, is issued against an insurer; and

23. An insurer is in any condition that the commissioner finds is a hazard to policyholders, creditors, or the general public;

(e) Recommend regulatory action and provide status reports to the commissioner; and

(f) Appear before the Interim Joint Committee on Banking and Insurance or the Standing Committees on Banking and Insurance ***annually***[~~biannually~~] to report on the status of domestic insurance companies and insurance companies doing a substantial amount of business in the Commonwealth of Kentucky.

Section 3. KRS 304.2-080 is amended to read as follows:

(1) The commissioner or any deputy, examiner, actuary, assistant or employee of the department, shall not be connected with the management of, or be financially interested, directly or indirectly, in any insurer, insurance agency or broker, or insurance transaction except as policyholder or claimant under a policy; except, that as to matters wherein a conflict of interest does not exist on the part of any[~~ such~~] individual, the commissioner may employ or retain from time to time insurance actuaries, examiners, accountants, attorneys, or other technicians who are independently practicing their profession even though from time to time similarly employed or retained by insurers or others.

(2) No person shall directly or indirectly give or pay to the commissioner or any deputy, examiner, actuary, assistant, employee or technician retained by the department; and the commissioner, or any deputy, examiner, actuary, assistant, employee or technician retained by the department, shall not directly or indirectly receive or accept any fee, compensation, loan, gift or other thing of value in addition to the compensation and expense allowance provided by law, or by contract with the commissioner, for any service rendered or to be rendered, as such commissioner, deputy, examiner, actuary, assistant, employee or technician, or in connection therewith.

(3) Subsection (1) of this section shall not be deemed to prohibit receipt by any such person of commissions or retirement benefits to which entitled by reason of services performed prior to becoming commissioner or prior to employment by the commissioner.

[~~(4) This section shall not be deemed to prohibit appointment and functioning of the commissioner as process agent of insurers or of nonresident licensees as provided for in this code.~~]

Section 4. KRS 304.2-150 is amended to read as follows:

(1) The commissioner shall carefully preserve in the department and in permanent form, a correct account of all ***the commissioner's***[~~his~~] transactions and of all fees and moneys received by ***the commissioner***[~~him~~] by virtue of ***the commissioner's***[~~his~~] office, together with all financial statements, examination reports, correspondence, filings, and documents duly received by the department. The commissioner shall hand the same over to ***the commissioner's***[~~his~~] successor in office.

(2) The commissioner shall keep a suitable record of all insurer certificates of authority and of all licenses issued under this code, together with all applicable suspensions and revocations and of the causes thereof.

(3) Unless otherwise provided by law, records of the department shall be open to the extent provided by the Kentucky Open Records Act, KRS 61.872 to 61.884:

(a) The following records shall be open:

1. Rate and form filings and information filed in support thereof;

2. Other records as provided by law; and

3. All information filed by the department with the National Association of Insurance Commissioners, which that association makes available;

(b) The following records shall be closed:

1. All information received in confidence from insurance supervisory officials of other states or countries, or the National Association of Insurance Commissioners, including, but not limited to, information from the insurance regulatory information system. ***Records described in this paragraph shall be confidential by law and shall be subject to the provisions of Section 1 of this Act***[~~However, records described in this~~

~~paragraph may be used by the commissioner in enforcement prosecutions and proceedings for disciplinary action, and may be disclosed to other law enforcement authorities~~]; and

2. Other records as provided by law; and

(c) When inspection of department records is denied, any person challenging the denial shall follow the procedures set forth in the Kentucky Open Records Act, KRS 61.872 to 61.884.

(4) After five (5) years, the commissioner may destroy unneeded or obsolete records and filings in the department.

(5) The department shall not charge a fee inconsistent with fees charged by other state agencies for copies of records requested by the public pursuant to this section.

Section 5. KRS 304.2-250 is amended to read as follows:

(1) Upon completion of an examination, the examiner in charge shall make a true report thereof which shall comprise only facts appearing upon the books, records or other documents of the person examined, or as ascertained from the sworn testimony of its officers or agents or other individuals examined concerning its affairs, and such conclusions and recommendations as may reasonably be warranted from such facts.

(2) Such a report of examination of an insurer shall be prima facie evidence in any action or proceeding for the receivership, conservation or liquidation of the insurer brought in the name of the state against the insurer, its officers or agents upon the facts stated therein, and whether or not the report has then been filed in the department as provided in KRS 304.2-260.

(3) Except as provided in Sections 6 and 7 of this Act, documents, materials, or other information, including examination workpapers, in the possession or control of the commissioner that are created, produced, or obtained by or disclosed to the commissioner or any other person in the course of an examination made under this subtitle or in the course of analysis by the commissioner of the financial condition or market conduct of an insurer shall be confidential by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act.

Section 6. KRS 304.2-260 is amended to read as follows:

(1) The commissioner shall deliver a copy of the examination report to the person examined, together with a notice affording ***the***[~~such~~] person twenty (20) days or[~~ such~~] additional reasonable period as the commissioner for good cause may allow within which to review the report and recommend changes therein.

(2) If so requested by the person examined, within the period allowed under subsection (1) of this section, or if deemed advisable by the commissioner without ***a***[~~such~~] request, the commissioner shall hold a hearing relative to the report and shall not file the report in the department for public inspection until after ***the***[~~such~~] hearing and ***the commissioner's***[~~ his~~] order thereon, except that the commissioner may furnish a copy of the report to the Governor or Attorney General of the state pending final decision thereon.

(3) If no[~~ such~~] hearing has been requested or held, the commissioner shall fully consider and review the report, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers and enter an order within sixty (60) days of the end of the period allowed under subsection (1) of this section. The order of the commissioner shall:

(a) Adopt the examination report as filed or with modifications or corrections. If the examination report reveals that the person is operating in violation of or has violated any law, administrative regulation, or prior order of the commissioner, the commissioner may order the person to take[~~ such~~] action to cure the violations and impose[~~ such~~] penalties as the commissioner considers necessary and appropriate; or

(b) Reject the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation, or information, and refiling as provided in KRS 304.2-250; or

(c) Call for a hearing for purposes of obtaining additional documentation, data, information, and testimony.

(4) Upon entry of the commissioner's order, the examination report, with[~~ such~~] modifications, if any, thereof as the commissioner deems proper, shall be filed in the department for public inspection, except that the commissioner may withhold from public inspection any examination report for so long as ***the commissioner***[~~he~~] deems ***the***[~~such~~] withholding to be necessary for the protection of the person examined against unwarranted injury or to be in the public interest and except that the commissioner shall withhold from public inspection any examination report of a domestic insurer as provided in KRS 304.2-270.

(5) ***(a) An examination workpaper shall be deemed confidential information and shall not be available for public inspection, except that the commissioner may in the commissioner's discretion disclose an examination workpaper, the content of a preliminary examination report, examination results, or any other matter relating to an examination report to the department of insurance of any other state or country, or to law enforcement officials of this or any other state, or to an agency of this or any other state or the federal government at any time, if the agency or office receiving the report or matters relating to the report agrees in writing to hold the information confidential and in a manner consistent with this section.***

(b) "Examination workpaper" means a written or recorded document, note, memorandum, critique, comment, recommendation, or other information copied, established, created, or retained by the commissioner or the commissioner's designee for the purpose of conducting an examination or drafting an examination report.

(6) The commissioner shall forward to the person examined a copy of the examination report as filed for public inspection, together with the order of the commissioner.

(7)[~~(6)~~] If the report concerns the examination of a domestic insurer, a copy of the report, when filed for public inspection, or if withheld from public inspection ***in accordance with Section 7 of this Act or***[~~under~~] subsection (4) of this section, together with the order of the commissioner, shall be presented by the insurer's chief executive officer to the insurer's board of directors or similar governing body at a meeting thereof which shall be held within ninety (90) days next following receipt of the report and order. A copy of the report and order shall also be furnished by the secretary of the insurer, if incorporated, or by the attorney-in-fact if a reciprocal insurer, or Lloyd's plan insurer, to each member of the insurer's board of directors or board of governors, if a reciprocal insurer, or Lloyd's plan insurer, and the certificate of the secretary or attorney-in-fact, which shall be filed promptly with the department, that a copy of the examination report and order, has been so furnished shall be deemed to constitute knowledge of the contents of the report and order by each[~~ such~~] member.

(8)[~~(7)~~] The report when so filed in the department shall be admissible in evidence in any action or proceeding brought by the commissioner against the person examined, or against its officers, employees, or agents. In any[~~ such~~] action or proceeding ***brought by the commissioner***, the commissioner or ***the commissioner's***[~~ his~~] examiners may, however, at any time testify and offer proper evidence as to information secured or matters discovered during the course of an examination, whether or not a written report of the examination has been either made, furnished, or filed in the department.

Section 7. KRS 304.2-270 is amended to read as follows:

The report of examination of a domestic insurer, although filed in the department as provided in KRS 304.2-260 shall nevertheless not be for public inspection except as to those portions of the report showing the insurer's current financial condition. The ***examination workpapers***[~~comments and recommendations of the examiner(s)~~] shall be deemed confidential information and shall not be available for public inspection, except that the commissioner may in his discretion disclose the content of an examination report, preliminary examination report, ***examination***[~~or~~] results, or any ***other*** matter relating to an examination report, to the Department of Insurance of any other state or country, or to law enforcement officials of this or any other state, or to an agency of this or any other state or the federal government at any time, if the agency or office receiving the report or matters relating to the report agrees in writing to hold it confidential and in a manner consistent with this section and KRS 304.2-260.

Section 8. KRS 304.2-300 is amended to read as follows:

(1) There is created in the State Treasury the "Examination Expense Revolving Fund" for the use of the department. The commissioner shall promptly deposit all funds received under a statute requiring examination expenses to be paid by the party examined and deposited with the State Treasurer to the credit of ***the***[~~such~~] fund.

(2) Moneys for travel, per diem, compensation and other necessary and authorized expenses incurred by an examiner or other department representative in the examination of any person required to pay, and making payment of, the expense of examination pursuant to KRS 304.2-290 shall be paid out of the examination expense revolving fund, upon approval of the commissioner.

(3) Moneys for travel[~~, compensation~~] and other necessary expenses[~~ of the custodian of insurance securities~~] assessed pursuant to KRS 304.8-190 shall be paid out of the examination expense revolving fund upon approval of the commissioner.

(4) If any amount in ***the***[~~such~~] revolving fund remains unexpended at the end of any fiscal year, that amount shall not lapse, but shall remain credited to the account and may be used during the succeeding year or years.

Section 9. KRS 304.2-360 is amended to read as follows:

(1) In the conduct of hearings under this code and making ***a***[~~his~~] final order thereon, the commissioner shall act in a quasijudicial capacity and in accordance with the provisions of this chapter and KRS Chapter 13B.

(2) With respect to hearings held concerning merger, consolidation, bulk reinsurance, conversion, affiliation, or change of control of a domestic insurer as provided in Subtitle 24, or in Subtitle ***37***[~~27~~] of this chapter, where notice of the hearing was given to all stockholders and policyholders or to all stockholders of an insurer involved, the commissioner is required to give a copy of the order on hearing to the corporation and insurer parties, to intervening parties, to a reasonable number of stockholders or policyholders as representative of the class, and to other parties only upon written request of such parties.

(3) A final order may require that restitution be made to any person aggrieved by a violation of any provisions of this chapter, any statute administered by the commissioner, or any regulation of the commissioner.

(4) An order prepared by the commissioner's designee and approved in writing by the commissioner shall be considered the commissioner's order.

Section 10. KRS 304.3-110 is amended to read as follows:

An insurer which otherwise qualifies therefor may be authorized to transact any one (1) kind or any combination of kinds of insurance as defined in Subtitle 5, except:

(1) A life insurer may grant annuities and may be authorized to transact in addition only health insurance; except, that the commissioner may, if the insurer otherwise qualifies therefor, continue so to authorize any life insurer which immediately prior to June 18, 1970, was lawfully authorized to transact in this state a kind or kinds of insurance in addition to life and

health and annuities. ***Only an insurer with a certificate of authority authorized to sell life insurance may grant and issue annuity contracts.***

(2) A reciprocal or Lloyd's insurer shall not transact life insurance.

(3) A title insurer shall be a stock insurer, and shall not transact any other kind of insurance.

(4) A mortgage guaranty insurer shall be a stock insurer, and shall not transact any other kind of insurance.

Section 11. KRS 304.3-150 is amended to read as follows:

To apply for an original certificate of authority an insurer shall file with the commissioner its written application therefor on forms as prescribed and furnished by the commissioner, accompanied by the applicable fees specified in Subtitle 4, stating under the oath of the president or vice-president or other chief officer and the secretary of the insurer, or of the attorney-in-fact (if a reciprocal insurer or Lloyd's plan insurer), the insurer's name, location of its principal office, the kinds of insurance to be transacted, date of organization or incorporation, form of organization, its domicile, and any additional information as the commissioner may reasonably require, together with the following documents, as applicable:

(1) If a corporation, a copy of its charter, together with all amendments thereto, or as restated and amended under the laws of its state or country of incorporation, currently certified by the public official with whom the originals are on file in a state or country.

(2) A copy of its bylaws, certified by the insurer's secretary.

(3) If a reciprocal insurer, a copy of the power of attorney of its attorney-in-fact, and copy of its subscribers agreement, if any, both certified by the attorney-in-fact; and if a domestic reciprocal insurer, the declaration provided for in ***Section 40 of this Act***[~~KRS 304.2-060~~].

(4) If a Lloyd's plan insurer, the names and addresses of all of the underwriters proposing to engage in the business, along with the number of underwriters which shall not be less than twenty-five (25), and that each underwriter is worth in his own right not less than twenty thousand dollars ($20,000) over and above all his liabilities, along with a statement showing a list of all cash and invested assets owned by the associated underwriters and their value, certified and sworn to by their duly authorized attorney-in-fact.

(5) A complete copy of its financial statement as of not earlier than the December 31 next preceding in form as customarily used in the United States by like insurers, sworn to by at least two (2) executive officers of the insurer or certified by the public insurance supervisory official of the insurer's state or country of domicile.

(6) A copy of the report of last examination of the insurer prior to the filing of the application, certified by the public insurance supervisory official of the insurer's state or country of domicile.

(7) If a foreign or alien insurer, the name and address of the person to whom the Secretary of State shall forward lawful process served upon him. If a domestic reciprocal insurer, the name and address of the attorney designated pursuant to paragraph (e) of subsection (2) of KRS 304.27-060 shall be deemed to be the person to whom the Secretary of State shall forward lawful process served upon him. Any judgment against a domestic reciprocal so served shall be binding upon each of the insurer's subscribers as their respective contingent liabilities.

(8) If a foreign or alien insurer, a certificate of the public insurance supervisory official of its state or country of domicile showing that it is authorized or qualified for authority to transact in a state or country the kinds of insurance proposed to be transacted in this state.

(9) If an alien insurer, a certificate as to deposit, if to be tendered pursuant to subsection (4) of KRS 304.3-140, and a copy of the trust deed, if any, pertaining to a deposit, certified by the trustee.

(10) If a foreign insurer, a certificate as to deposit, if to be tendered pursuant to subsection (4) of KRS 304.3-140.

(11)[~~If a life or health insurer, a copy of the insurer's rate book and of each form of policy currently proposed to be issued in this state, and of the form of application therefor.~~

~~(12)~~] If an alien insurer, a copy of the appointment and authority of its United States manager, certified by its officer having custody of its records.

(12)[~~(13)~~] Designation by the insurer of its officers or representatives authorized to appoint and remove its agents in this state.

(13)[~~(14)~~] If to transact surety insurance, the names and addresses of all its attorneys in fact within this state together with the scope of authority of each attorney-in-fact.

Section 12. KRS 304.3-180 is amended to read as follows:

(1) A certificate of authority shall continue in force as long as the insurer is entitled thereto under this code, and until suspended or revoked by the commissioner or terminated at the insurer's request; subject, however, to continuance of the certificate by the insurer each year by:

(a) Payment[~~ on or before March 1~~] of the continuation fee provided in Subtitle 4 ***by March 1, or, if paid by mail, postmarked no later than March 1***;

(b) Due filing by the insurer of its annual statement for the next preceding calendar year as required by KRS 304.3-240;

(c) Payment by the insurer of premium taxes with respect to the preceding calendar year; and

(d) Due filing by domestic companies of quarterly statements as approved by the National Association of Insurance Commissioners.

(2) If not so continued by the insurer, its certificate of authority shall expire at midnight on the June 30 next following the failure of the insurer to continue it in force, unless earlier revoked for failure to pay taxes as provided in KRS 304.4-040. The commissioner shall promptly notify the insurer of the occurrence of any failure resulting in impending expiration of its certificate of authority.

(3) The commissioner may, in his discretion, upon the insurer's request made within three (3) months after expiration, reinstate a certificate of authority which the insurer has inadvertently permitted to expire, after the insurer has fully cured all its failures which resulted in the expiration. Otherwise the insurer shall be granted another certificate of authority only after filing application therefor and meeting all other requirements as for an original certificate of authority in this state.

(4) An insurer shall not use the same accountant or partner of an accounting firm responsible for preparing the ***audited financial statement for more than seven (7)***~~[report required by subsection (1) for more than four (4)]~~ consecutive years.

Section 13. KRS 304.3-240 is amended to read as follows:

(1) Each authorized insurer shall annually~~[, before the first day of March,]~~ file with the commissioner a true statement of its financial condition, transactions, and affairs as of December 31 preceding. The statement shall be on forms prescribed by the National Association of Insurance Commissioners and shall be completed according to the instructions of the National Association of Insurance Commissioners, and shall be verified by the oaths of at least two (2) of the insurer's principal officers. The annual statement of a reciprocal insurer shall be made and verified by its attorney-in-fact. ***The annual statement shall be filed by March 1 of each year, or, if filed by mail, postmarked no later than March 1. The annual statement of a foreign or alien insurer may be executed or verified by facsimile or reproduced signature; however, the annual statement of a domestic insurer shall contain original signatures.***

(2) ~~[The commissioner shall annually during November furnish each insurer duplicate copies of annual statement forms as next required to be filed.]~~The statement forms shall be in general form and context as approved by the National Association of Insurance Commissioners for the kinds of insurance to be reported upon, and as supplemented for additional information required by the commissioner.

(3) The annual statement of an alien insurer shall relate only to its assets, transactions, and affairs in the United States unless the commissioner requires otherwise. The statement shall be verified by the insurer's United States manager or by its officers duly authorized.

(4) The commissioner may suspend or revoke the authority of any insurer failing to file its annual and quarterly statement when due or failing so to file during any extension of time therefor which the commissioner, for good cause, may grant.

(5) Notwithstanding the provisions of this section or any other law of this Commonwealth, an authorized insurer may, subject to the requirements of regulations adopted by the commissioner, publish financial statements or information based on financial statements prepared on a basis which is in accordance with requirements of a competent authority and which differs from the basis of the statements which have been filed with the commissioner in compliance with this section. Such differing financial statements or information based on the financial statements shall not be made the basis for the application of any provision of this chapter not relating solely to the publication of financial information unless the provision specifically so requires.

Section 14. KRS 304.3-320 is amended to read as follows:

(1) Foreign insurers currently admitted to do the business of life and health insurance in Kentucky and foreign insurers hereafter admitted to do the business of life and health insurance in Kentucky which are domiciled in states which have no life and health insurance guaranty association or similar guaranty fund in operation may be required by the commissioner, in order to protect Kentucky policyholders, to ***furnish to the commissioner a*** deposit ***of cash or***~~[with the custodian of insurance securities]~~ publicly-traded securities having a market value of not less than one hundred thousand dollars ($100,000) nor more than one million dollars ($1,000,000).

(2) In establishing the amount of the deposit required by subsection (1) of this section for a particular insurer, the commissioner shall consider the following factors:

(a) The amount of Kentucky writings;

(b) The amount of policy reserves and claim reserves pertaining to Kentucky risks;

(c) The kind of insurance written in Kentucky;

(d) The current financial and operating test results of the insurer provided by the National Association of Insurance Commissioners under its insurance regulatory information system; and

(e) Any other relevant financial data.

SECTION 15. A NEW SECTION OF SUBTITLE 6 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

As used in this subtitle:

(1) "Accounting practices and procedures manual" means the accounting practices and procedures manual as amended,

published by the National Association of Insurance Commissioners.

(2) "SSAP" means the statements of statutory accounting principles in the accounting practices and procedures manual.

Section 16. KRS 304.6-010 is amended to read as follows:

(1) In any determination of the financial condition of an insurer, there shall be allowed as assets only such assets as are owned by the insurer and which consist of:

(a) Cash in the possession of the insurer, or in transit under its control, and including the true balance of any deposit in a solvent bank or trust company.

(b) Investments, securities, properties and loans acquired or held in accordance with this code and in connection therewith the following items:

1. Interest due or accrued on any bond or evidence of indebtedness which is not in default and which is not valued on a basis including accrued interest.

2. Declared and unpaid dividends on stocks and shares, unless such amount has otherwise been allowed as an asset.

3. Interest due or accrued upon a collateral loan in an amount not to exceed one (1) year's interest thereon.

4. Interest due or accrued on deposits in solvent banks and trust companies, and interest due or accrued on other assets, if such interest is in the judgment of the commissioner a collectible asset.

5. Interest due or accrued on a mortgage loan, in an amount not exceeding in any event the amount, if any, of the excess of the value of the property less delinquent taxes thereon over the unpaid principal***. Collectible interest one hundred eighty (180) days past due on a mortgage loan in default is a nonadmitted***~~[; but in no event shall interest accrued for a period in excess of eighteen (18) months be allowed as an]~~ asset.

6. Rent due or accrued on real property if such rent is not in arrears for more than three (3) months, and rent more than three (3) months in arrears if the payment of such rent be adequately secured by property held in the name of the tenant and conveyed to the insurer as collateral.

(c) Premium notes, policy loans, and other policy assets and liens on policies of life insurance and annuity contracts and accrued interest thereon, in an amount not exceeding the ***policy reserves or cash surrender value***~~[legal reserve and other policy liabilities carried on each individual policy]~~.

(d) The net amount of uncollected and deferred premiums and annuity considerations in the case of a life insurer, corresponding to the basis on which reserves are held.

(e) Premiums in the course of collection, other than for life insurance, not more than three (3) months past due, less commissions payable thereon. ***To the extent that there is no related unearned premium, any uncollected premium balances which are over ninety (90) days due shall be nonadmitted. The uncollected agent's receivable on a policy by policy basis which is over ninety (90) days due shall be nonadmitted regardless of any unearned premium.*** The foregoing limitation shall not apply to premiums payable directly or indirectly by the United States government or by any of its instrumentalities.

(f) Installment premiums other than life insurance premiums to the extent of the policy reserve carried on the policy to which premiums apply. ***If an installment premium is past due, the amount over ninety (90) days due plus all future installments that have been recorded on that policy shall be nonadmitted.***

(g) ***Bills receivable***~~[Notes and like written obligations not past due, taken]~~ for premiums other than life insurance premiums, on policies permitted to be issued on such basis, to the extent of the policy reserve carried thereon. ***Bills receivable shall be nonadmitted if either of the following conditions are present:***

1. If an installment premium is over ninety (90) days due, the entire bills receivable balance from that policy shall be nonadmitted;

2. If the bills receivable balance due exceeds the policy's unearned premium, the amount in excess of the unearned premium is nonadmitted.

(h) The full amount of reinsurance recoverable ***on paid losses and loss adjustment expense*** by a ceding insurer from a solvent reinsurer and which reinsurance is authorized under KRS 304.5-140.

(i) ***Funds held or deposited with reinsured companies, whether premiums withheld as security for unearned premium and outstanding loss reserves or advances for loss payments, are admitted assets provided they do not exceed the liabilities they secure and provided the reinsured is solvent. Any funds in excess of the liabilities, and any funds held by an insolvent reinsured shall be nonadmitted***~~[Amounts receivable by an assuming insurer representing funds withheld by a solvent ceding insurer under a reinsurance treaty]~~.

(j) Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended banking institution, to the extent deemed by the commissioner available for the payment of losses and claims and at values to be determined by ***the commissioner***~~[him]~~.

(k) As to a title insurer, its title plant and equipment reasonably necessary for conduct of its abstract or title insurance business, at not to exceed the cost thereof.

(l) Electronic ***data processing equipment and operating software are admitted assets to the extent they conform to the requirements of SSAP No. 4. electronic data processing equipment and software shall be depreciated for a period not to exceed three (3) years using methods detailed in SSAP No. 19. The aggregate value of admitted electronic data processing equipment and operating system software (net of accumulated depreciation) shall be limited to three percent (3%) of the reporting entity's capital and surplus on the statutory balance sheet for its most recently filed statement with its domicilary state commissioner, adjusted to exclude electronic data processing equipment and operating system software, net deferred tax assets and net positive goodwill.***

(m) A collateral loan or unconditional obligation for the payment of money secured by the pledge of an investment to the extent it conforms to the requirements of SSAP No. 4. The outstanding principal balance on the loan and any related accrued interest shall be recorded as an admitted asset subject to the following limitations:

1. A collateral loan determined to be impaired shall be an admitted asset equal to the fair market value of the collateral less estimated costs to obtain and sell the collateral. The difference between the net fair value of the collateral and the amount of the collateral loan shall be written off in accordance with SSAP No. 5.

2. A collateral loan secured by an asset that does not qualify as an investment shall be nonadmitted.

3. A collateral loan that exceeds the fair market value of the collateral shall be an admitted asset equal to the fair market value of the collateral. The excess shall be classified as a nonadmitted asset.

(n) Deferred tax assets as defined in SSAP No.10.

(o) Receivable for securities as defined in SSAP No. 21.

(p) Guaranteed investment contracts as defined in SSAP No. 21.

(q) Cash value of life insurance where the reporting entity is owner and beneficiary as defined in SSAP No. 21.

(r) Other amounts receivable under reinsurance contracts as defined in SSAP No. 21.

(s) State guarantee association promissory notes.

(t)~~[and mechanical machines and related equipment constituting a data processing, record keeping, or accounting system or systems if the cost of each such system, including additions thereto is at least one hundred thousand dollars ($100,000), which cost shall be amortized in full over a period not to exceed ten (10) years. The aggregate amount invested in all such systems shall not exceed five percent (5%) of the insurer's assets.~~

~~(m)]~~ All assets~~[, whether or not consistent with the provisions of this section,]~~ as may be allowed pursuant to the ***accounting practices and procedures manual***~~[annual statement form approved by the commissioner for the kinds of insurance to be reported upon therein]~~.

(u)~~[(n)]~~ Other assets, not inconsistent with the provisions of this section, deemed by the commissioner to be available for the payment of losses and claims, at values to be determined by ***the commissioner***~~[him]~~.

(2) Admitted assets may be allowed as deductions from corresponding liabilities, and liabilities may be charged as deductions from assets, and deductions from assets may be charged as liabilities, in accordance with the form of annual statement applicable to such insurer as prescribed by the commissioner, or otherwise in his discretion. The commissioner may make official regulations prescribing the application of the provisions of this section.

Section 17. KRS 304.6-020 is amended to read as follows:

The following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

(1) Good will, trade names, and other like intangible assets, except as expressly permitted and as prescribed by the National Association of Insurance Commissioners' accounting practices and procedures;

(2) Advances to officers or directors (other than policy loans) whether secured or not, and advances to employees, agents and other persons on personal security only;

(3) Stock of such insurer, owned by it, or loans secured thereby. Any such stock owned by such insurer shall be held as treasury stock and be deducted from the total issue of outstanding shares;

(4) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature and supplies~~.~~ ***The following assets are not excluded assets under this subsection:***

(a) ~~[(other than]~~Equipment authorized under subsection (1) of KRS 304.6-010~~[)]~~;

(b) For~~[, except in the case of]~~ title insurers such materials and plants as the insurer is expressly authorized to invest in under paragraph (k) of subsection (1) of KRS 304.6-010***;***

(c) ~~[and except, in the case of an insurer,]~~Such personal property as the insurer is permitted to hold pursuant to Subtitle 7 or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer, other than real estate used by it for home office, branch office, and similar purposes; and

(d) For health reporting entities, furniture, medical equipment, fixtures, and leasehold improvements used for the direct delivery of health care services.

(5) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds

the aggregate value thereof as determined under this code*;*

(6) Due and accrued investment income determined to be uncollectible in accordance with SSAP No. 5;

(7) Due and accrued investment interest determined to be uncollectible in accordance with SSAP No. 5;

(8) Nonoperating system software;

(9) Leasehold improvements that do not meet the definition of assets set forth in SSAP No. 4;

(10) Deposits in suspended depositories;

(11) Receivables determined to be uncollectible or otherwise impaired in accordance with SSAP No. 5;

(12) Automobiles, airplanes, and other vehicles;

(13) A loan receivable and accrued interest, if collateralized by the reporting entity's own stock;

(14) Prepaid expenses;

(15) Any other asset that does not meet the definition of an asset, or has been specifically identified as a nonadmitted asset in the accounting practices and procedures manual.

Section 18. KRS 304.6-040 is amended to read as follows:

In any determination of the financial condition of an insurer, capital stock and liabilities to be charged against its assets shall include:

(1) The amount of its capital stock outstanding, if any, less the amount of shares held by the insurer as treasury stock as provided in subsection (3) of KRS 304.6-020.

(2) The amount, estimated consistent with the provisions of Subtitle 6, necessary to pay all of its unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof.

(3) With reference to life insurance policies and annuity contracts, and disability and accidental death benefits in or supplemental thereto:

(a) The amount of reserves on life insurance policies and annuity contracts in force, valued according to the tables of mortality, rates of interest, and methods adopted pursuant to KRS 304.6-130 to 304.6-180, inclusive.

(b) Reserves for disability benefits, for both active and disabled lives required by paragraph (e) of subsection (2) of KRS 304.6-140.

(c) Reserves for accidental death benefits, required by paragraph (f) of subsection (2) of KRS 304.6-140.

(d) Any additional reserves which may be required by the commissioner consistent with applicable customary and general practice in insurance accounting as set forth in regulations promulgated by the commissioner but no such additional reserve shall be required of any company solely for contingent liabilities which may arise under any agreement, filed with and approved by the commissioner, for the assumption of liability by the company growing out of the acts of its exclusive agents within the course and scope of their representation.

(4) Reserves for health insurance required by KRS 304.6-070.

(5) With reference to insurance other than specified in subsections (3) and (4) of this section, and other than title insurance, the amount of the policy reserves computed in accordance with Subtitle 6.

(6) Taxes, expenses and other obligations due or accrued at the date of the statement.

(7) Deferred tax liabilities as defined in SSAP No. 10.

Section 19. KRS 304.6-050 is amended to read as follows:

(1) As to property, casualty, surety and mortgage guaranty insurance the insurer shall maintain an unearned premium reserve on all policies in force.

(2) Except as provided in KRS 304.6-060 as to marine and transportation risks and in subsection (3) of this section the unearned premium reserve shall be computed, after deduction of applicable reinsurance in solvent insurers, at the insurer's election either:

(a) *On a daily pro rata method basis on each item of premium;*[~~As equal to not less than fifty percent (50%) of the annual premiums in force,~~] or

(b) On a monthly[~~ or more frequent~~] pro rata basis as to all such reserves.

(3) As to mortgage guaranty insurers, premiums on risks written for one (1) year or less must be reserved on a monthly pro rata basis.

(4) After adopting a method for computing such reserve, an insurer shall not change methods without the approval of the insurance supervisory official of the insurer's domicile.

Section 20. KRS 304.6-090 is amended to read as follows:

For the protection of the *policyholders against loss during periods of extreme economic contraction*[~~people of this Commonwealth and for the purpose of protecting against the effect of adverse economic cycles~~], each mortgage guaranty insurer shall ***maintain a liability referred to as a statutory contingency reserve. The statutory contingency reserve shall be a separate fund, in addition to the mortgage guaranty insurer's unearned premium reserve***[~~establish a contingency reserve which shall be maintained for one hundred eighty (180) months~~]. [~~To provide for this,~~]The insurer shall annually contribute fifty percent (50%) of the earned premiums ***from mortgage guaranty insurance contracts*** to this ***liability, which shall be maintained for ten (10) years regardless of the coverage period for which premiums were paid***[~~reserve~~]. [~~The earned premiums so reserved may be released, annually, after the specified time of one hundred eighty (180) months has elapsed. However,~~]Subject to the approval of the commissioner, ***the contingency***[~~this~~] reserve may be ***released in any year in which actual incurred losses exceed thirty-five percent (35%) of the corresponding earned premiums. Any reductions shall be made on a first-in, first-out basis. Changes in the reserve shall be recorded directly to unassigned funds***[~~available only for loss payments, when the loss ratio (incurred losses to premiums earned) exceeds twenty percent (20%). This amount so used shall reduce the next subsequent annual release to surplus from the established contingency reserve~~].

Section 21. KRS 304.6-100 is amended to read as follows:

(1) As to casualty insurance transacted by it, each insurer shall maintain at all times reserves in an amount estimated in the aggregate to provide for payment of all losses and claims incurred, whether reported or unreported, which are unpaid and for which the insurer may be liable, and to provide for the expenses of adjustment or settlement of losses and claims. The reserves shall be computed in accordance with regulations from time to time made by the commissioner, after due notice and hearing, upon reasonable consideration of the ascertained experience and the character of such kind of business for the purpose of adequately protecting the insured and the solvency of the insurer.

(2) Whenever the loss and loss expense experience of the insurer show that reserves, calculated in accordance with such regulations, are inadequate, the commissioner may require the insurer to maintain additional reserves.

(3)[~~The minimum reserve requirements prescribed by the commissioner for unpaid losses and loss expenses incurred during each of the most recent three (3) years for coverages included in the lines of business described in the insurer's annual statement as workers' compensation, liability other than auto (B.I.), and auto liability (B.I.) shall not be less than the following: for workers' compensation, sixty-five percent (65%) of premiums earned during each year less the amount already paid for losses and expenses incidental thereto incurred during such year; for liability other than auto (B.I.) and auto liability (B.I.), sixty percent (60%) of premiums earned during each year less the amount already paid for losses and expenses incidental thereto incurred during such year.~~

~~(4)~~] The commissioner may, by regulation, prescribe the manner and form of reporting pertinent information concerning the reserves provided for in this section.

Section 22. KRS 304.6-171 is amended to read as follows:

(1) This section shall become operative at the end of the first full calendar year following the year of enactment.

(2) Every life insurance company doing business in this state shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by administrative regulation are computed appropriately, are based on assumptions which satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The commissioner by administrative regulation shall define the specifics of this opinion and add any other items deemed to be necessary to its scope.

(3) (a) Every life insurance company, except as exempted by or pursuant to administrative regulation, shall also annually include in the opinion required by subsection (2) of this section, an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by administrative regulation, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including but not limited to the investment earnings on the assets and the considerations anticipated to be received and retained under the polices and contracts, make adequate provision for the company's obligations under the policies and contracts, including but not limited to the benefits under and expenses associated with the policies and contracts.

(b) The commissioner may provide by administrative regulation for a transition period for establishing any higher reserves which the qualified actuary may deem necessary in order to render the opinion required by this section.

(4) Each opinion required by subsection (2) of this section shall be governed by the following provisions:

(a) A memorandum, in form and substance acceptable to the commissioner as specified by administrative regulation, shall be prepared to support each actuarial opinion.

(b) If the insurance company fails to provide a supporting memorandum at the request of the commissioner within a period specified by administrative regulation or the commissioner determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the administrative regulations or is otherwise unacceptable to the commissioner, the commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum as is required by the commissioner.

(5) Every opinion shall be governed by the following provisions:

(a) The opinion shall be submitted with the annual statement reflecting the valuation of reserve liabilities for each year ending on or after December 31, 1996.

(b) The opinion shall apply to business in force including individual and group health insurance plans, in form and substance acceptable to the commissioner as specified by administrative regulation.

(c) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board and on such additional standards as the commissioner may by administrative regulation prescribe.

(d) In the case of an opinion required to be submitted by a foreign or alien company, the commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state.

(e) For the purposes of this section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirements set forth in administrative regulations.

(f) Except in cases of fraud or willful misconduct, the qualified actuary shall not be liable for damages to any person, other than the insurance company and the commissioner, for any act, error, omission, decision, or conduct with respect to the actuary's opinion.

(g) Disciplinary action by the commissioner against the company or the qualified actuary shall be defined in administrative regulations by the commissioner.

(h) *Except as provided in Section 1 of this Act, documents, materials, or other information in the possession or control of the commissioner that are a memorandum in support of the opinion, and any other material provided by the company to the commissioner in connection with the memorandum, shall be confidential by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act.*

(i) Any memorandum in support of the opinion, and any other material provided by the company to the commissioner in connection ***may***[~~therewith, shall be kept confidential by the commissioner and shall not be made public and shall not~~] be subject to subpoena[~~, other than~~] for the purpose of defending an action seeking damages from ***the actuary submitting the memorandum***[~~any person~~] by reason of any action required by this section or by administrative regulations promulgated hereunder.

(j) The memorandum or other material may otherwise be released by the commissioner with the written consent of the company or to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the commissioner for preserving the confidentiality of the memorandum or other material.

(k) Once any portion of the confidential memorandum is cited by the company in its marketing, or is cited before any governmental agency other than a state insurance department, or is released by the company to the news media, all portions of the confidential memorandum shall be no longer confidential.

Section 23. KRS 304.6-180 is amended to read as follows:

(1) If in any contract year the gross premium charged by any life insurer on any policy or contract, which is subject to subsection (2) of KRS 304.6-140, is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon, but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such policy or contract shall be the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy or contract, or the reserve calculated by the method actually used for such policy or contract but using the minimum standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest referred to in this section are those standards stated in KRS 304.6-140 and 304.6-145. Provided that for any life insurance policy issued on or after January 1, 1986, for which the gross premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the foregoing provisions of this section shall be applied as if the method actually used in calculating the reserve for such policy were the method described in KRS 304.6-150, ignoring the second subsection of that section. The minimum reserve at each policy anniversary of such a policy shall be the greater of the minimum reserve calculated in accordance with KRS 304.6-150, including the second subsection of that section, and the minimum reserve calculated in accordance with this section.

(2) When the anticipated losses, loss adjustment expenses, commissions, and the acquisition costs, and maintenance costs exceed the recorded unearned premium reserve, and any future installment premiums on existing policies, a premium deficiency reserve shall be recognized by a property and casualty insurer by recording an additional liability for the deficiency, with a corresponding charge to operations. Commission and other acquisition costs need not be considered in the premium deficiency analysis to the extent they have previously been expensed. For purposes of determining if a premium deficiency exists, insurance contracts shall be grouped in a manner consistent with how policies are marketed, serviced, and measured. A liability shall be recognized for each grouping where a premium deficiency is indicated. Deficiencies shall not be offset by anticipated profits in other policy groupings. If a premium deficiency reserve is established, disclosure of the amount of that reserve shall be made in the financial statements. If a reporting

entity utilizes anticipated investment income as a factor in the premium deficiency calculation, disclosure of this shall be made in the financial statements.

(3) When the anticipated losses, loss adjustment expenses, commissions and other acquisition costs, and maintenance costs exceed the recorded unearned premium reserve, contingency reserve, and the estimated future renewal premium on existing policies, a mortgage guaranty insurer shall recognize a premium deficiency reserve by recording an additional liability for the deficiency with a corresponding charge to operations. Commissions and other acquisition costs need not be considered in the premium deficiency analysis to the extent they have been expensed. If a mortgage guaranty insurer utilizes anticipated investment income as a factor in the premium deficiency calculation, disclosure of this shall be made in the financial statements.

(4) When the expected claims payments or incurred costs, claim adjustment expenses and administration costs exceed the premiums to be collected for the remainder of a contract period, an individual or group accident and health insurer or health maintenance organization shall recognize a premium deficiency reserve by recording an additional liability for the deficiency, with a corresponding charge to operations. For purposes of determining if a premium deficiency exists, contracts shall be grouped in a manner consistent with how policies are marketed, serviced, and measured. A liability shall be recognized for each grouping where a premium deficiency is indicated. Deficiencies shall not be offset by anticipated profits in other policy groupings. Such accruals shall be made for any loss contracts, even if the contract period has not yet started.

Section 24. KRS 304.8-010 is amended to read as follows:

(1) All deposits of assets of insurers required or permitted under this code and made in this state shall be made and maintained with the ***commissioner.***[~~custodian of insurance securities of this state, hereinafter called "custodian."~~]

(2) In addition to deposits required for an insurer's authority to transact insurance in this state, an insurer may deposit and maintain with the ***commissioner***[~~custodian~~] deposit of assets:

(a) Required of an insurer by the laws of other states as prerequisite for authority to transact insurance in such other states.

(b) Required by application of the retaliatory provision, KRS 304.3-270.

(c) In such additional amounts as is permitted by this subtitle, or as expressly required by this code.

Section 25. KRS 304.8-020 is amended to read as follows:

(1) All[~~ such~~] deposits shall be held by the ***commissioner***[~~custodian~~] in trust for the benefit and protection of all of the insurer's policyholders and creditors in the United States.

(2) The deposit of a domestic insurer shall further be security for payment of taxes, assessments, forfeitures, fines, or other charges due and unpaid to this state or any other state in which the insurer has been authorized to transact insurance, and may be applied to ***the***[~~such~~] extent as may be necessary for[~~ such~~] payment.

(3) Except, that deposits required pursuant to the retaliatory provision, KRS 304.3-270, or required of a domestic insurer pursuant to the laws of another state, may be limited to ***the***[~~such~~] uses and purposes as ***are***[~~is~~] consistent with ***the***[~~such~~] provision or laws. But no[~~ such~~] deposit so required of a domestic insurer shall be allowed in lieu of or as a credit upon any deposit required of ***an***[~~such~~] insurer under this subtitle if the purpose of ***the***[~~such~~] deposit so required by another state is materially inconsistent with the purpose stated in subsection (1) of this section.

Section 26. KRS 304.8-040 is amended to read as follows:

(1) The commissioner may accept the home office real property of a domestic insurer as a part of any deposit of assets required of the insurer under this code. For ***this***[~~such~~] purpose the insurer shall convey such real property by deed to the commissioner, and the deed shall be duly recorded and deposited with the ***commissioner***[~~custodian~~].

(2) Real property so deposited shall not be sold or further encumbered by the insurer except upon advance approval of the commissioner after full submission of the purposes and detail of ***the***[~~any such~~] sale or encumbrance to the commissioner. The commissioner shall join in the execution of any deed or other document required to consummate ***the***[~~such~~] sale or encumbrance. Upon ***the***[~~any such~~] sale or encumbrance the insurer shall deposit other assets in lieu of ***this***[~~such~~] real property.

(3) ***This***[~~Such~~] real property shall be valued at its fair value as determined by the commissioner.

Section 27. KRS 304.8-090 is amended to read as follows:

(1) The commissioner shall designate at least one (1) ***bank***[~~but not more than five (5) banks~~] or trust ***company***[~~companies~~] in each county of this state containing a city of the first class and[~~ such~~] other banks as proposed by the insurer and approved by the commissioner ***which***[~~whose vaults~~] shall be used as depositories for assets of insurers deposited under this code.

(2) ***Any expense associated with***[~~Each insurer~~] depositing assets ***under this chapter*** shall ***be borne by the insurer***[~~, at its own expense, rent space therefor in the vaults of the banks or trust companies so designated~~].

Section 28. KRS 304.8-095 is amended to read as follows:

Notwithstanding any other provision of law, the commissioner may cause any or all deposits of assets of insurers required or permitted under this code and maintained in this state to be made and maintained in trust with depositories designated pursuant to

KRS 304.8-090(1) under trust agreements to which[~~ such~~] depositories, insurers, and the commissioner are parties, for the purpose of this subtitle. ***These***[~~Such~~] trust agreements shall provide with respect to deposits thereunder provisions, conditions and stipulations corresponding to those applicable to other deposits under this subtitle and shall require[~~ such~~] depositories to perform the same duties with respect to deposits thereunder as the ***commissioner***[~~custodian of insurance securities~~] is required to perform with respect to other deposits under the subtitle. Insurers who have made deposits under ***these***[~~such~~] trust agreements shall be relieved of all other obligations under this subtitle with respect to the assets deposited thereunder.

Section 29. KRS 304.8-100 is amended to read as follows:

As to each insurer making or having a deposit the commissioner[~~ and custodian~~] shall keep a complete record thereof showing:

(1) The particular assets so deposited.

(2) The face value, if any, of any[~~ such~~] asset, and the value thereof as determined by the commissioner.

(3) Date of deposit, and place thereof.

(4) Assets withdrawn, date thereof, value of assets so withdrawn, and the name and address of any person to whom ***the***[~~such~~] assets were delivered.

(5) ***All***[~~Such~~] other information as the commissioner deems necessary.

Section 30. KRS 304.8-110 is amended to read as follows:

(1) The commissioner may at any time inventory assets on deposit as to any insurer. Upon request of the insurer the commissioner shall make[~~ such~~] an inventory at the insurer's expense, and shall furnish the insurer a copy thereof. All inventories shall be made in the presence of the commissioner and two (2) representatives of the insurer designated for the purpose by its board of directors.

(2) Upon request, the ***commissioner***[~~custodian~~] shall give to any insurer depositing assets a certificate thereof describing the assets and setting forth their par value, if any, and their value, which valuation shall be ***determined by***[~~subject to the approval of~~] the commissioner.

Section 31. KRS 304.8-150 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, every domestic life insurer shall, within ninety (90) days after the net cash value of each policy in force has been ascertained as required by law, deposit with the ***commissioner***[~~custodian of insurance securities~~] for the security and benefit of its policyholders, assets in an amount which, together with ***the***[~~such~~] sums as may be deposited by it with other states and governments by the requirements of their laws, shall be not less than the ascertained valuation of all policies in force less any sums that it has advanced from its legal reserve to its policyholders on the pledge to it of their policies and any accumulations thereon.

(2) If the legal reserve or the aggregate ascertained valuation of all policies in force in any domestic life insurer equals $20,000,000, no further deposit shall be required of the insurer so long as the legal reserve remains at or above $20,000,000, unless the insurer elects to represent on its policies or otherwise that the legal reserve or cash value of its policies thereafter written is on deposit with this state or one or more of its designated agencies, in which event the insurer shall deposit assets as above set out in an amount equal to the ascertained valuation of all of its policies in force at the time the representation is made.

Section 32. KRS 304.8-170 is amended to read as follows:

(1) Any[~~ such~~] required deposit shall be released, in addition to circumstances already provided for, in these instances only:

   (a) Upon extinguishment of substantially all liabilities of the insurer for the security of which the deposit is held, by reinsurance contract or otherwise.

   (b) If ***the***[~~such~~] deposit is no longer required under this code.

   (c) If the deposit was made pursuant to the retaliatory provision, KRS 304.3-270, it shall be released in whole or in part when no longer so required.

   (d) Upon proper order of a court of competent jurisdiction the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer.

(2) No[~~ such~~] release shall be made except on application to and written order of the commissioner made upon proof satisfactory to ***the commissioner***[~~him~~] of the existence of one of ***the***[~~such~~] grounds therefor.[~~ The custodian shall release the deposit upon such order of the commissioner.~~] The commissioner shall not have any personal liability for any[~~ such~~] release of any deposit or part thereof so ordered by ***the commissioner***[~~him~~] in good faith.

(3) All release of deposits or any part thereof shall be made to the person then entitled thereto upon proof of right satisfactory to the commissioner.

Section 33. KRS 304.8-180 is amended to read as follows:

(1) Access shall not be had to the vaults wherein the assets are deposited, nor shall any[~~ such~~] assets be removed therefrom, except upon the written order of at least two (2) officers authorized for the purpose by the insurer's board of directors or other governing body, which order must have been approved by the commissioner.

(2) The vaults wherein assets are deposited shall be opened and assets deposited or removed only in the joint presence of the

commissioner[~~custodian~~] and two (2) representatives of the insurer authorized for the purpose by the insurer's board of directors or other governing body.

(3) Except, that the vaults may be opened and assets deposited or removed under the direction and upon the order of a court of competent jurisdiction, and in the presence of the ***commissioner***[~~custodian~~].

Section 34. KRS 304.8-190 is amended to read as follows:

(1) Insurers maintaining deposits of assets in this state under this subtitle, shall pay into the examination expense revolving fund as provided in Subtitle 2 of this chapter, moneys sufficient to pay travel[~~, compensation~~] and other necessary expenses of the ***commissioner related to the maintenance, valuation, protection, or administration of the insurer's deposits***[~~custodian of insurance securities, through the office of the commissioner of insurance~~].

(2) The portion of ***the***[~~such~~] expense fund to be paid by each[~~ such~~] insurer shall be in the same approximate proportion as the amount ***the***[~~such~~] insurer had on deposit on December 31 of the preceding year bears to the total such deposits of all insurers as of December 31 of the preceding year. The commissioner shall assess each insurer for its proportionate share of ***the***[~~such~~] expense fund. The minimum charge for each insurer shall be five dollars ($5).

Section 35. KRS 304.13-390 is amended to read as follows:

If the state fire marshal gives notice that any authorized insurer has failed to comply with the provisions of KRS 227.250, the commissioner may revoke or suspend the insurer's certificate of authority[

~~(1) The commissioner shall ascertain as soon as practicable the annual fire loss in each municipality in the Commonwealth; obtain, make and maintain a record thereof and collect such data with respect thereto as will enable the commissioner to classify the fire losses in each municipality in the Commonwealth, the causes thereof, and the amount of premiums collected therefor for each class of risks and the amount paid thereon, in such manner as will aid in determining equitable insurance rates, methods of reducing such fire losses and reducing the insurance rates for risks in each municipality in the Commonwealth as provided in this section.~~

~~(2) The commissioner shall compile for each municipality in Kentucky a list of the insured fire losses in excess of five hundred dollars ($500) per loss paid in that municipality for the preceding statistical year.~~

~~(3) The list shall include:~~

~~(a) The names of persons recovering insured losses;~~

~~(b) The addresses or locations where the losses occurred; and~~

~~(c) The amount paid by the insurance company on each loss.~~

~~(4) The commissioner shall obtain the information to make the lists from insurance company reports of individual losses during the statistical year, either directly from such insurance companies or from such lawful rating organization or agency of which such insurance companies may be a member or subscriber.~~

~~(5) Each municipality shall examine its list to determine the losses actually occurring in its limits and shall make a report to the fire marshal, which report shall include:~~

~~(a) A list of the losses that occurred within the limits of the municipality;~~

~~(b) A list of the losses not occurring within the municipality; and~~

~~(c) Other evidence essential to establishing the losses in the municipality. The fire marshal shall transmit a copy of each municipality's report to the commissioner.~~

~~(6) The commissioner shall make such changes or corrections as he shall determine to be necessary in order to correct the list of insured fire losses paid in a particular municipality~~].

Section 36. KRS 304.24-040 is amended to read as follows:

(1) This section applies to stock, combined stock and mutual life, or mutual insurers hereafter incorporated in this state. ***The***[~~Such an~~] insurer may be formed for the purpose of transacting any kind or kinds of insurance, as well as annuity business.

(2) Incorporators. Three (3) or more individuals, none of whom is less than eighteen (18) years of age, may incorporate a stock insurer; ten (10) or more individuals may incorporate a mutual insurer.[~~At least a majority of the incorporators must be citizens of the United States. At least a majority of the incorporators must be residents of Kentucky.~~]

(3) Articles. The incorporators shall deposit the articles of incorporation, in quadruplicate originals, with the commissioner, and the articles shall not be filed with the Secretary of State until approved by the commissioner as provided in KRS 304.24-050, and the commissioner's approval has been stamped upon or otherwise attached to the articles. In addition to the applicable requirements of laws in this state governing the incorporation of business corporations generally:

(a) The name of the corporation, which shall be subject to KRS 304.3-100, shall contain the words "insurance company;" if a mutual, or a combined stock and mutual, the word "mutual" must be a part of the name.

(b) The articles of incorporation shall specify the kind or kinds of insurance proposed to be transacted.

(c) Each share of capital stock shall have a par value of not less than $1.00.

(d) If a mutual, or a combined stock and mutual life, the articles of incorporation shall state the maximum contingent liability of its participating policyholder members, other than as to nonassessable policies, for payment of losses and expenses incurred. ***The***[~~Such~~] liability shall be as stated in the articles of incorporation, but shall not be less than one (1) or more than six (6) times the premium for member's policy at the annual premium rate for a term of one (1) year.

(e) The names and residence addresses of the incorporators.

(4) Unless otherwise provided in the articles of incorporation or an amendment thereto, each stockholder of a combined stock and mutual life insurance company shall, at all meetings, be entitled to one (1) vote for each share of common stock held by him, and each holder of a policy entitled to participate in profits or savings shall be a member and, as such, shall be entitled to vote on the same basis to which he would be entitled in a mutual company under KRS 304.24-210.

Section 37. KRS 304.24-300 is amended to read as follows:

(1) A domestic stock or mutual insurer may borrow money to defray the expenses of its organization, provide it with surplus funds, or for any purpose of its business, upon a written agreement that such money is required to be repaid only out of the insurer's surplus in excess of that stipulated in such agreement. The agreement may provide for interest, which interest shall or shall not constitute a liability of the insurer as to its funds other than such excess of surplus, as stipulated in the agreement. No commission or promotion expense shall be paid in connection with any such loan, except that if public offering and sale is made of the loan securities, the insurer may pay the reasonable costs thereof approved by the commissioner.

(2) Money so borrowed, together with the interest thereon if so stipulated in the agreement, shall not form a part of the insurer's legal liabilities except as to its surplus in excess of the amount thereof stipulated in the agreement, or be the basis of any setoff; but until repaid, financial statements filed or published by the insurer shall show as a footnote thereto the amount thereof then unpaid together with any interest thereon accrued but unpaid. ***A surplus note shall be reported as surplus and not as debt only if the surplus note contains the following provisions:***

(a) Subordination to policyholder; and

(b) Subordination to claimant and beneficiary claims; and

(c) Subordination to all other classes of creditors other than surplus note holders; and

(d) Interest payments and principal repayments require prior approval of the state of domicile.

(3) Any such loan shall be subject to the commissioner's approval. The insurer shall in advance of the loan, file with the commissioner a statement of the purpose of the loan and a copy of the proposed loan agreement. The loan and agreement shall be deemed approved unless within fifteen (15) days after date of such filing the insurer is notified of the commissioner's disapproval and the reasons therefor. The commissioner shall disapprove any proposed loan or agreement if he finds the loan is unnecessary or excessive for the purpose intended, or that the terms of the loan agreement are not fair and equitable to the parties and to other similar lenders, if any, to the insurer, or that the information so filed by the insurer is inadequate.

(4) Any such loan or substantial portion thereof shall be repaid by the insurer when no longer reasonably necessary for the purpose originally intended. No repayment of such a loan shall be made unless approved in advance by the commissioner.

(5) This section shall not apply to other kinds of loans obtained by the insurer in ordinary course of business, nor to loans secured by pledge or mortgage of assets.

Section 38. KRS 304.24-415 is amended to read as follows:

(1) (a) Every insurer domiciled in this state shall file a report with the commissioner disclosing material acquisitions and dispositions of assets or material nonrenewals, cancellations, or revisions of ceded reinsurance agreements unless the acquisitions and dispositions of assets or material nonrenewals, cancellations, or revisions of ceded reinsurance agreements have been submitted to the commissioner for review, approval, or information purposes pursuant to other provisions of this chapter.

(b) The report required in paragraph (a) of this subsection is due within fifteen (15) days after the end of the calendar month in which any of the foregoing transactions occur.

(c) One (1) complete copy of the report, including any exhibits or other attachments, shall be filed with:

1. The insurance department of the insurer's state of domicile; and

2. The National Association of Insurance Commissioners.

(d) All reports ***in the possession or control of the commissioner*** obtained by or disclosed to the commissioner pursuant to this section shall be[~~ given~~] confidential ***by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act. However, the reports may***[~~treatment and shall not be subject to subpoena and shall not~~] be made public by the commissioner, ***with either***[~~the National Association of Insurance Commissioners, or any other person, except to insurance departments of other states, without~~] the prior written consent of the insurer to which it pertains ***or a finding by***[~~unless~~] the commissioner, after giving the insurer who would be affected notice and opportunity to be heard,[~~ determines~~] that the interest of policyholders, shareholders, or the public will be served by publication, in which event the commissioner may publish all or any part ***of the***

reports in the manner the commissioner may deem appropriate.

(2) (a) No acquisitions or dispositions of assets need be reported pursuant to subsection (1) of this section if the acquisitions or dispositions are not material. For purposes of this section, a material acquisition, or the aggregate of any series of related acquisitions during any thirty (30) day period, is one that is nonrecurring and not in the ordinary course of business and involves more than five percent (5%) of the reporting insurer's total admitted assets as reported in its most recent statutory statement filed with the insurance department of the insurer's state of domicile.

(b) 1. Asset acquisitions subject to this section include every purchase, lease exchange, merger, consolidation, succession, or other acquisition other than the construction or development of real property by or for the reporting insurer or the acquisition of materials for such purpose.

2. Asset dispositions subject to this section include every sale, lease, exchange, merger, consolidation, mortgage, hypothecation, assignment (whether for the benefit of creditors or otherwise), abandonment, destruction, or other disposition.

(c) 1. The following information is required to be disclosed in any report of a material acquisition or disposition of assets:

a. Date of the transaction;

b. Manner of acquisition or disposition;

c. Description of the assets involved;

d. Nature and amount of the consideration given or received;

e. Purpose of, or reason for, the transaction;

f. Manner by which the amount of consideration was determined;

g. Gain or loss recognized or realized as a result of the transaction; and

h. Names of the persons from which the assets were acquired or to whom they were disposed.

2. Insurers are required to report material acquisitions and dispositions on a nonconsolidated basis unless the insurer is part of a consolidated group of insurers which utilizes a pooling arrangement or one hundred percent (100%) reinsurance agreement that affects the solvency and integrity of the insurer's reserves and the insurer ceded substantially all of its direct and assumed business to the pool. An insurer is deemed to have ceded substantially all of its direct and assumed business to a pool if the insurer has less than one million dollars ($1,000,000) total direct plus assumed written premiums during a calendar year that are not subject to a pooling arrangement and the net income of the business not subject to the pooling arrangement represents less than five percent (5%) of the insurer's capital and surplus.

(3) (a) No nonrenewals, cancellations, or revisions of ceded reinsurance agreements need be reported pursuant to subsection (1) of this section if the nonrenewals, cancellations or revisions are not material. For purposes of this section, a material nonrenewal, cancellation, or revision is one that affects:

1. As respects property and casualty business, including accident and health business written by a property and casualty insurer:

a. More than fifty percent (50%) of the insurer's total ceded written premium; or

b. More than fifty percent (50%) of the insurer's total ceded indemnity and loss adjustment reserves.

2. As respects life, annuity, and accident and health business, more than fifty percent (50%) of the total reserve credit taken for business ceded, on an annualized basis, as indicated in the insurer's most recent annual statement.

3. As respects either property and casualty or life, annuity, and accident and health business, either of the following events shall constitute a material revision which must be reported:

a. An authorized reinsurer representing more than ten percent (10%) of a total cession is replaced by one (1) or more unauthorized reinsurers; or

b. Previously established collateral requirements have been reduced or waived as respects one (1) or more unauthorized reinsurers representing collectively more than ten percent (10%) of a total cession.

(b) No filing shall be required if:

1. As respects property and casualty business, including accident and health business written by a property and casualty insurer, the insurer's total ceded written premium represents, on an annualized basis, less than ten percent (10%) of its total written premium for direct and assumed business; or

2. As respects life, annuity, and accident and health business, the total reserve credit taken for business ceded represents, on an annualized basis, less than ten percent (10%) of the statutory reserve requirements prior to any cession.

(c) The following information is required to be disclosed in any report of a material nonrenewal, cancellation, or revision of ceded reinsurance agreements:

1. Effective date of the nonrenewal, cancellation, or revision;
2. The description of the transaction with an identification of the initiator thereof;
3. Purpose of, or reason for, the transaction; and
4. If applicable, the identity of the replacement reinsurers.

(d) Insurers are required to report all material nonrenewals, cancellations, or revisions of ceded reinsurance agreements on a nonconsolidated basis unless the insurer is part of a consolidated group of insurers which utilizes a pooling arrangement or one hundred percent (100%) reinsurance agreement that affects the solvency and integrity of the insurer's reserves and the insurer ceded substantially all of its direct and assumed business to a pool if the insurer has less than one million dollars ($1,000,000) total direct plus assumed written premiums during a calendar year that are not subject to a pooling arrangement and the net income of the business not subject to the pooling arrangement represents less than five percent (5%) of the insurer's capital and surplus.

Section 39. KRS 304.24-500 is amended to read as follows:

(1) The purpose of this section is to:

(a) Provide a means whereby any insurer organized under the laws of any other state may become a domestic insurer;

(b) Provide a means for any domestic insurer to transfer its domicile to another state; and

(c) Provide a means for the continuation of a certificate of authority and other approvals pertaining to any foreign insurer which transfers its corporate domicile to another state by merger, consolidation, or any other lawful method.

(2) Any insurer which is organized under the laws of any other state and is admitted to do business in this state for the purpose of writing insurance may***, upon approval of the commissioner,*** become a domestic insurer by complying with all of the requirements of this chapter relating to the organization and authorization of a domestic insurer of the same type and by designating its principal place of business at a place in this state. ***The***[~~Such a~~] domestic insurer ***shall***[~~will~~] be entitled to like certificates of authority to transact business in this state, and shall be subject to the authority and jurisdiction of this state.

(3) Any domestic insurer may, upon approval of the commissioner, transfer its domicile to any other state in which it is admitted to transact the business of insurance. Upon ***the***[~~such a~~] transfer ***the***[~~such an~~] insurer shall cease to be a domestic insurer, and shall be authorized to transact insurance business in this state if qualified as a foreign insurer. The commissioner shall approve ***the***[~~any such~~] proposed transfer unless ***the commissioner***[~~he~~] shall determine ***the***[~~such~~] transfer is not in the interest of the policyholders of this state.

(4) The certificate of authority, agents' appointments and licenses, rates, and other items which the commissioner allows, in ***the commissioner's***[~~his~~] discretion, which are in existence at the time any insurer authorized to transact the business of insurance in this state transfers its corporate domicile to this or any other state by merger, consolidation, or merger pursuant to KRS 271B.11-070, or any other lawful method, shall continue in full force and effect upon ***the***[~~such~~] transfer if ***the***[~~such~~] insurer remains duly qualified to transact the business of insurance in this state. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to the new name of the insurer or its new location unless so ordered by the commissioner. Every transferring insurer shall file new policy forms with the commissioner on or before the effective date of the transfer but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as approved by, the commissioner. However, every transferring insurer shall notify the commissioner in writing of the details of the proposed transfer and shall file promptly appropriate amendments to corporate documents required to be filed with the commissioner.

(5) (a) Any insurer transferring its domicile in accordance with subsections (2) or (3) of this section shall file an application for redomestication and transfer of domicile with the commissioner. This transfer of domicile must be approved by order of the commissioner. If the commissioner does not approve the transfer of domicile, the applicant insurer may request a hearing in accordance with KRS 304.2-310(2)(b).

(b) An applicant filing to become a domestic insurer in accordance with subsection (2) of this section shall include a notice of transfer of domicile to the Secretary of State and the articles, amended articles, or restated articles of incorporation in compliance with KRS 271B.2-020.

(c) An application filed by a domestic insurer to transfer its domicile to another state in accordance with subsection (3) of this section shall include a copy of the order approving the redomestication issued by the new state of domicile.

Section 40. KRS 304.27-060 is amended to read as follows:

(1) Twenty-five (25) or more persons[~~ domiciled in this state~~] may organize a domestic reciprocal insurer and make application to the commissioner for a certificate of authority to transact insurance.

(2) The proposed attorney shall fulfill the requirements of and shall execute and file with the commissioner when applying for a certificate of authority, a declaration setting forth:

(a) The name of the insurer;

(b) The location of the insurer's principal office, which shall be the same as that of the attorney and shall be maintained within this state;

(c) The kinds of insurance proposed to be transacted;

(d) The names and addresses of the original subscribers;

(e) The designation and appointment of the proposed attorney and a copy of the power of attorney;

(f) The names and addresses of the officers and directors of the attorney, if a corporation, or its members, if a firm;

(g) The powers of the subscribers' advisory committee; and the names and terms of office of the members thereof;

(h) A copy of the subscribers' agreement;

(i) That all moneys paid to the reciprocal insurer shall, after deducting therefrom any sum payable to the attorney, be held in the name of the insurer and for the purposes specified in the subscribers' agreement;

(j) A statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than six (6) months at an adequate rate theretofore filed with the commissioner;

(k) A statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by KRS 304.3-120 is on hand; and

(l) A copy of each policy, ***endorsement,***[~~indorsement~~] and application form it then proposes to issue or use.

(3) The declaration shall be acknowledged by the attorney in the manner required for the acknowledgment of deeds.

Section 41. KRS 304.27-070 is amended to read as follows:

(1) The certificate of authority of a reciprocal insurer shall be issued to its attorney in the name of the insurer.

(2) The commissioner may refuse, suspend or revoke the certificate of authority, in addition to other grounds therefor ***including those provided in Subtitles 2 and 3 of this chapter***, for failure of the attorney to comply with any applicable provision of this code.

Section 42. KRS 304.28-070 is amended to read as follows:

Action on any policy or contract of insurance made by the attorney for the underwriters may be brought against the attorney or against the attorney and the underwriters or any of them. In ***an***[~~such~~] action, summons and process shall be served on either the ***Secretary of State as provided in KRS 304.3-230***[~~commissioner~~] or on the attorney and when so served shall have the same force and effect as if served on the attorney and on each underwriter personally. A judgment in any[~~ such~~] action against the attorney or against any of the underwriters shall be binding upon and be a judgment against each and all of the underwriters as their several liabilities may appear in the contract of insurance on which the action is brought.

Section 43. KRS 304.29-101 is amended to read as follows:

A domestic society organized on or after January 1, 1989, shall be formed as follows:

(1) Seven (7) or more ***individuals***[~~citizens of the United States, a majority of whom are citizens of this state,~~] who desire to form a fraternal benefit society, may make, sign and acknowledge before some officer competent to take acknowledgment of deeds, articles of incorporation, in which shall be stated:

(a) The proposed corporate name of the society, which shall not so closely resemble the name of any society or insurance company as to be misleading or confusing;

(b) The purposes for which it is being formed and the mode in which its corporate powers are to be exercised. The purposes shall not include more liberal powers than are granted by this subtitle; and

(c) The names and residences of the incorporators and the names, residences and official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control of the management of the affairs and funds of the society for the first year or until the ensuing election at which all[~~ such~~] officers shall be elected by the supreme governing body, which election shall be held not later than one (1) year from the date of issuance of the permanent certificate of authority.

(2) The articles of incorporation, duly certified copies of the society's bylaws and rules, copies of all proposed forms of certificates, applications therefor, and circulars to be issued by the society and a bond conditioned upon the return to applicants of the advanced payments if the organization is not completed within one (1) year shall be filed with the commissioner, who may require further information. The bond with sureties approved by the commissioner shall be in an amount, not less than three hundred thousand dollars ($300,000) nor more than one million five hundred thousand dollars ($1,500,000), as required by the commissioner. All documents filed shall be in the English language. If the purposes of the society conform to the requirements of this subtitle and all provisions of the law have been complied with, the commissioner shall so certify, retain and file the articles of incorporation and furnish the incorporators a preliminary certificate of authority authorizing the society to solicit members.

(3) No preliminary certificate of authority granted under the provisions of this section shall be valid after one (1) year from its

date or after such further period, not exceeding one (1) year, as may be authorized by the commissioner upon cause shown, unless the five hundred (500) applicants hereinafter required have been secured and the organization has been completed as herein provided. The articles of incorporation and all other proceedings thereunder shall become null and void in one (1) year from the date of the preliminary certificate of authority, or at the expiration of the extended period, unless the society shall have completed its organization and received a certificate of authority to do business.

(4) Upon receipt of a preliminary certificate of authority from the commissioner, the society may solicit members for the purpose of completing its organization, shall collect from each applicant the amount of not less than one (1) regular monthly premium in accordance with its table of rates, and shall issue to each applicant a receipt for the amount so collected. No society shall incur any liability other than for the return of advance premium, nor issue any certificate, nor pay, allow, or offer or promise to pay or allow, any benefit to any person until:

(a) Actual bona fide applications for benefits have been secured on not less than five hundred (500) applicants, and any necessary evidence of insurability has been furnished to and approved by the society;

(b) At least ten (10) subordinate lodges have been established into which the five hundred (500) applicants have been admitted;

(c) There has been submitted to the commissioner, under oath of the president or secretary, or corresponding officer of the society, a list of the applicants, giving their names, addresses, date each was admitted, name and number of the subordinate lodge of which each applicant is a member, amount of benefits to be granted and premiums therefor; and

(d) It shall have been shown to the commissioner, by sworn statement of the treasurer, or corresponding officer of the society, that at least five hundred (500) applicants have each paid in cash at least one (1) regular monthly premium, which premiums in the aggregate shall amount to at least one hundred fifty thousand dollars ($150,000). The advance premiums shall be held in trust during the period of organization; and if the society has not qualified for a certificate of authority within one (1) year, the premiums shall be returned to the applicants.

(5) The commissioner may make examination and require further information as he deems advisable. Upon presentation of satisfactory evidence that the society has complied with all the provisions of law, the commissioner shall issue to the society a certificate of authority to that effect and that the society is authorized to transact business pursuant to the provisions of KRS Chapter 304. The certificate of authority shall be prima facie evidence of the existence of the society at the date of the certificate. The commissioner shall cause a record of the certificate of authority to be made. A certified copy of the record may be given in evidence with like effect as the original certificate of authority.

(6) Any incorporated society authorized to transact business in this state at the time this subtitle becomes effective shall not be required to reincorporate.

(7) No unincorporated or voluntary association shall be permitted to transact business in this state as a fraternal benefit society.

Section 44. KRS 304.29-281 is amended to read as follows:

Societies shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices[

~~(1) The commissioner, or any person he may appoint, may examine any domestic, foreign or alien society transacting or applying for admission to transact business in this state in the same manner as authorized for examination of domestic, foreign or alien insurers. Requirements of notice and an opportunity to respond before findings are made public, as provided in the laws regulating insurers, shall also be applicable to the examination of societies.~~

~~(2) The expense of each examination and of each valuation, including compensation and actual expense of examiners shall be paid by the society examined or whose certificates are valued, upon statements furnished by the commissioner~~].

Section 45. KRS 304.30-060 is amended to read as follows:

(1) Every licensee shall maintain records of its premium finance transactions and the[~~ said~~] records shall be open to examination and investigation by the commissioner.[~~ The commissioner may at any time require any licensee to bring such records as he may direct to the commissioner's office for examination. Any examination or any part of the examination of any organization subject to the provisions of Subtitle 30 of this chapter shall be made by the commissioner or by examiners designated by him and shall be at the expense of the organization examined as specified in Subtitle 2 of this chapter.~~]

(2) Every licensee shall preserve its records of[~~ such~~] premium finance transactions, including cards used in a card system, for at least ***five (5)***[~~three (3)~~] years after making the final entry in respect to any premium finance agreement. The preservation of records in photographic form shall constitute compliance with this requirement.

(3) For the purpose of determining market conduct, business practices, financial condition, ability to fulfill and manner of fulfillment of its obligations, the nature of its operations and compliance with law, the commissioner shall examine the affairs, transactions, accounts, records and assets of each licensed premium finance company as often as reasonably necessary.

(4) *Premium finance companies shall be subject to the provisions of KRS 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices.*

SECTION 46. A NEW SECTION OF SUBTITLE 32 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) *If the certificate of authority of a corporation is suspended, the corporation shall not, during the period of suspension, enroll any additional subscribers or members except newborn children or other newly acquired dependents of existing subscribers or members, and shall not engage in any advertising or solicitation whatsoever.*

(2) *If the certificate of authority of a corporation is revoked, the corporation shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the corporation. It shall engage in no further advertising or solicitation whatsoever. The commissioner may, by written order, permit further operation of the corporation as the commissioner may find to be in the best interest of subscribers or members, to the end that subscribers or members will be afforded the greatest practical opportunity to obtain continuing coverage. If the commissioner permits further operation, the corporation shall continue to collect the dues and fees required of subscribers or members.*

Section 47. KRS 304.32-030 is amended to read as follows:

(1) Any nonprofit corporation organized under the laws of this state for the purpose of establishing, maintaining, and operating a nonprofit plan, whereby hospital care, medical-surgical care, dental care, and other health services are made available to persons who become subscribers to *a*[~~such~~] plan or plans under a contract with the corporation, shall be subject to and be governed by the provisions of this subtitle, and shall be exempt from all other provisions of this code, except as[~~ herein~~] expressly provided in *this subtitle*[~~KRS 304.32-270~~], and no insurance law hereafter enacted shall be deemed to apply to *these*[~~such~~] corporations unless they be specifically referred to therein.

(2) Except as provided in KRS 304.32-300 to 304.32-320, the provisions of this subtitle shall not apply to any employer's self-insured health plan or service established and maintained solely for its members and their immediate families, or to any self-insured health plan or service established, maintained, and insured jointly by any employer and any labor organization or organizations.

Section 48. KRS 304.32-140 is amended to read as follows:

(1) No corporation subject to provisions of this subtitle shall be permitted to do any business in this state unless, in addition to the other requirements of law, it shall have and maintain liquid reserves in an amount not less than five percent (5%) of the corporation's subscription income collected in the preceding year not exceeding two million dollars ($2,000,000), plus two and one-half percent (2.5%) of income exceeding two million dollars ($2,000,000) but not exceeding ten million dollars ($10,000,000), plus one percent (1%) of income exceeding ten million dollars ($10,000,000); but in no event shall reserves be less than five hundred thousand dollars ($500,000). All corporations subject to the provisions of this subtitle shall place on deposit with the *commissioner*[~~custodian of insurance securities~~] a guarantee fund of cash or approved securities in an amount determined by this formula, but not less than five hundred thousand dollars ($500,000) nor more than one million five hundred thousand dollars ($1,500,000). Any amount of liquid reserves required by this subsection in excess of one million five hundred thousand dollars ($1,500,000) shall be maintained by the corporation at all times, but shall not be required to be placed on deposit, provided that *the*[~~such a~~] corporation shall be allowed a period of five (5) years after July 15, 1982, to establish the liquid reserves and deposit the guarantee fund with the commissioner. A corporation subject to the provisions of this subtitle shall at all times comply with the risk-based capital requirements as established in administrative regulations promulgated by the commissioner.

(2) The cash or securities representing the guarantee fund required by this section shall be acceptable to the *commissioner*[~~custodian of insurance securities~~] and *the*[~~such~~] securities shall be negotiable securities.

(3) The investments of a corporation subject to the provisions of this subtitle shall be the same kind of investments which life insurance companies are authorized to have.

Section 49. KRS 304.32-210 is amended to read as follows:

(1) *Nonprofit hospital, medical-surgical, dental, and health service corporations shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices*[~~The commissioner, or any person authorized by him, shall have power to examine the financial condition, affairs, and management of any corporation subject to the provisions of this subtitle. He shall have free access to all the books, papers, and documents relating to the business of the corporation, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employees of any corporation, or any other person in relation to its affairs, transactions, and conditions. The commissioner shall make an examination of each corporation subject to the provisions of this subtitle at least once every four (4) years~~].

(2) Each corporation subject to the provisions of this subtitle may own and invest or have invested any of its funds in its principal office building not to exceed an amount which would reduce its surplus, exclusive of the investment, below $50,000, unless approved by the commissioner.

Section 50. KRS 304.32-270 is amended to read as follows:

Nonprofit hospital, medical-surgical, dental, and health service corporations shall be subject to the provisions of this subtitle, and to the following provisions of this code, to the extent applicable and not in conflict with the express provisions of this subtitle:

(1) Subtitle 1 -- Scope -- General Definitions and Provisions;

(2) Subtitle 2 -- Insurance Commissioner;

(3) Subtitle 7 -- Investments;

(4) Subtitle 8 -- Administration of Deposits;

(5) Subtitle 12 -- Trade Practices and Frauds;

(6) Subtitle 25 -- Continuity of Management;

(7) Subtitle 33 -- Insurers Rehabilitation and Liquidation;

(8) Subtitle 18 -- KRS 304.18-110, 304.18-120 -- Group Conversion and KRS 304.18-045;

(9) Subtitle 4 -- Fees and Taxes;

(10) Subtitle 99 -- Penalties;

(11) Subtitle 14 -- KRS 304.14-500 to 304.14-560;

(12) Subtitle 17A -- Health Benefit Plans;~~[and]~~

(13) Subtitle 17B --Kentucky Access***;***

(14) Subtitle 3 -- Authorization of Insurers and General Requirements; and

(15) Subtitle 9 -- Agents, Consultants, Solicitors and Adjusters.

Section 51. KRS 304.33-110 is amended to read as follows:

(1) Whenever the commissioner has reasonable cause to believe, and determines~~[, after a hearing held as prescribed in subsection (2) of this section,]~~ that any insurer has committed or engaged in, or is committing or engaging in or is about to commit or engage in any act, practice, or transaction that would subject it to formal delinquency proceedings under this subtitle, he may make and serve upon the insurer and any other persons involved an emergency order in accordance with KRS 13B.125, other than seizure orders under KRS 304.33-120, as is reasonably necessary to correct, eliminate, or remedy the conduct, condition, or ground. If the emergency order is for a restoration of or addition to capital, it shall be carried out as provided in KRS 304.24-350.

(2) The commissioner may apply for and any court of general jurisdiction may grant, restraining orders, temporary and permanent injunctions, and other orders as are deemed necessary to enforce an emergency order.

Section 52. KRS 304.37-050 is amended to read as follows:

Documents, materials, or other information in the possession or control of the commissioner that are obtained~~[All information, documents, and copies thereof obtained by or disclosed to the commissioner by any other person]~~ in the course of an examination or investigation made pursuant to KRS 304.37-040 and all information reported pursuant to KRS 304.37-020, shall be~~[given]~~ confidential ***by law and privileged, but may be used, received, and shared in accordance with Section 1 of this Act. However, the documents, materials, and other information may***~~[treatment and shall not be subject to subpoena and shall not]~~ be made public by the commissioner ***with either***~~[or any other person, except to insurance departments of other states, without]~~ the prior written consent of the insurer to which it pertains ***or a finding by***~~[unless]~~ the commissioner, after giving the insurer and its affiliates who would be affected thereby notice and opportunity to be heard,~~[determines]~~ that the interests of policyholders, shareholders, or the public will be served by the publication thereof, in which event ***the commissioner***~~[he]~~ may publish all or any part thereof in such manner as ***the commissioner***~~[he]~~ may deem appropriate.

Section 53. KRS 304.37-580 is amended to read as follows:

(1) At no time shall the officers, directors ***who are interested persons***, or insiders of the mutual insurance holding company and its subsidiaries and affiliates beneficially own, in the aggregate, more than eighteen percent (18%) of the voting stock of the insurance company subsidiary of a mutual insurance holding company, an intermediate holding company subsidiary of a mutual insurance company, or an insurance company subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company.

(2) This subsection applies to directors ***who are not interested persons*** of the mutual insurance holding company and its subsidiaries and affiliates. These directors shall not purchase or beneficially own, in the aggregate, more than three percent (3%) of the voting stock of an insurance company subsidiary of a mutual insurance company or an insurance company subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company.

(3) No person may directly or indirectly offer to acquire or acquire, in any manner, beneficial ownership of more than fifteen percent (15%) of any class of voting securities of an insurance company subsidiary of a mutual insurance holding company, an intermediate holding company subsidiary of a mutual insurance company, or an insurance company subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company.

Section 54. KRS 304.38-120 is amended to read as follows:

Health maintenance organizations shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices[

~~(1) The commissioner, or any person authorized by him, shall have power to examine the financial condition, affairs, and management of any organization subject to the provisions of this subtitle. He shall have free access to all the books, papers, and documents relating to the business of the organization, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employees of any organization, or any other person in relation to its affairs, transactions, and conditions. The commissioner shall make an examination of each organization subject to the provisions of this subtitle at least once every three (3) years.~~

~~(2) Any examination, or any part of the examination of any organization subject to the provisions of this subtitle, shall be made by the commissioner or by examiners designated by him and shall be at the expense of the organization examined as specified in Subtitle 2 of this chapter~~].

Section 55. KRS 304.38-130 is amended to read as follows:

(1) The commissioner may suspend or revoke any certificate of authority issued to a health maintenance organization under this subtitle if ***the commissioner finds that any of the conditions exist for which the commissioner could suspend or revoke a certificate of authority as provided in Subtitles 2 and 3 of this chapter or if the commissioner***[~~he~~] finds that any of the following conditions exist:

- (a) The health maintenance organization is operating significantly in contravention of its basic organizational document or in a manner contrary to that described in and reasonably inferred from any other information submitted under KRS 304.38-040, unless amendments to such submissions have been filed with and approved by the commissioner;
- (b) The health maintenance organization issues evidence of coverage or uses a schedule of charges for health care services which do not comply with the requirements of KRS 304.38-050 ***or Subtitle 17A of this chapter***;
- (c) The health maintenance organization does not provide or arrange for health care services as approved by the commissioner in KRS 304.38-050(1)(a);
- (d) The certificate of need and licensure board certifies to the commissioner that the health maintenance organization fails to meet the requirements of the board or that the health maintenance organization is unable to fulfill its obligations to furnish health care services;
- (e) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;
- (f) The health maintenance organization, or any person on its behalf, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;
- (g) The continued operation of the health maintenance organization would be hazardous to its enrollees;
- (h) The health maintenance organization has otherwise failed to substantially comply with this subtitle.

(2) ***If***[~~A certificate of authority shall be suspended or revoked only after compliance with the hearing procedures set out in Subtitle 2.~~

~~(3) When~~] the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of ***the***[~~such~~] suspension, enroll any additional enrollees except newborn children or other newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

(3)[~~(4)~~] ***If***[~~When~~] the certificate of authority of a health maintenance organization is revoked, ***the***[~~such~~] organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of ***the***[~~such~~] organization. It shall engage in no further advertising or solicitation whatsoever. The commissioner may, by written order, permit ***the***[~~such~~] further operation of the organization as ***the commissioner***[~~he~~] may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage. If the commissioner permits[~~ such~~] further operation the health maintenance organization will continue to collect the periodic prepayments required of enrollees.

Section 56. KRS 304.38-170 is amended to read as follows:

(1) All applications, filings, and reports required under this subtitle shall be treated as public documents, except as otherwise provided for herein.

(2) The[~~ insurance law and the~~] nonprofit hospital, medical-surgical, dental, and health service corporation law of this state shall not be applicable to any health maintenance organization granted a certificate of authority under this subtitle. This provision does not apply to an insurer or hospital or medical service corporation licensed and regulated pursuant to the insurance laws or the hospital or medical service corporation laws of this state except with respect to its health maintenance organization activities authorized and regulated pursuant to this subtitle.

SECTION 57. A NEW SECTION OF SUBTITLE 48 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Liability self-insurance groups shall be subject to the provisions of Subtitles 1 and 2 of this chapter to the extent applicable and not in conflict with the expressed provisions of this subtitle.

Section 58. KRS 304.48-110 is amended to read as follows:

Liability self-insurance groups shall be subject to the provisions of KRS 304.2-210, 304.2-220, 304.2-230, 304.2-240, 304.2-250, 304.2-260, 304.2-270, 304.2-280, 304.2-290, 304.2-300, and Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices[~~The commissioner or any person authorized by him shall have power to examine the financial condition, affairs, and management of any liability self-insurance group subject to the provisions of this subtitle. He shall have free access to all the books, papers, and documents relating to the business of the organization, and may summon witnesses and administer oaths and affirmations in the examination of the directors, trustees, officers, agents, representatives, or employees of any group, or any person in relation to its affairs, transactions, or conditions. He shall so examine each liability self-insurance group subject to the provisions of this subtitle not less frequently than every four (4) years. Information and other data obtained through the examination shall be subject to the provisions of KRS 304.2-210 to 304.2-290~~].

Section 59. KRS 136.410 is amended to read as follows:

[~~(1)~~]Every bail bondsman doing business in this Commonwealth shall, on or before the first day of March of each year, return to the Revenue Cabinet a statement of all amounts paid to him or his representatives, as premiums for bail bonds written in the courts of this Commonwealth during the preceding calendar year, or since the last returns were made, and shall at the same time pay a tax of two dollars ($2) upon each one hundred dollars ($100) of such amounts paid to the bail bondsman or his representatives. Amounts received for reimbursement for expenses or court costs are not to be considered as premiums for the purposes of this section.

[~~(2) In addition to the requirements of subsection (1) of this section, a copy of the statement of all amounts paid to the bail bondsman or his representatives, whether designated as premiums or otherwise, shall be filed with the commissioner of insurance at the same time the bail bondsman files his report of assets and liabilities as required by KRS 304.34-050(1).~~]

Section 60. KRS 304.2-195 is amended to read as follows:

(1) The commissioner may enter into interstate compacts for issuing certificates of authority to insurers if the commissioner determines that:

(a) Each state participating in the compact has requirements for issuing certificates of authority that provide protections substantially similar to or greater than the requirements of this subtitle; or

(b) The interstate compact contains requirements for issuing certificates of authority that provide protections substantially similar to or greater than the requirements of this subtitle.

(2) In lieu of the documents required in KRS 304.3-150[~~(1) to (14)~~] to be filed with an application for certificate of authority, the commissioner may accept documentation in accordance with the terms of the interstate compact.

(3) The commissioner may issue certificates of authority to insurers in accordance with the terms of the interstate compact.

Section 61. KRS 431.510 is amended to read as follows:

(1) It shall be unlawful for any person to engage in the business of bail bondsman as defined in ***subsection (3) of this section***[~~KRS 304.34-010(1)~~], or to otherwise for compensation or other consideration:

(a) Furnish bail or funds or property to serve as bail; or

(b) Make bonds or enter into undertakings as surety;

for the appearance of persons charged with any criminal offense or violation of law or ordinance punishable by fine, imprisonment or death, before any of the courts of this state, including city courts, or to secure the payment of fines imposed and of costs assessed by such courts upon a final disposition.

(2) Nothing contained herein shall serve to release any bail bondsman heretofore licensed by this state from the obligation of undischarged bail bond liability existing on June 19, 1976.

(3) ***"Bail bondsman" shall mean any person, partnership or corporation engaged for profit in the business of furnishing bail, making bonds or entering into undertakings, as surety, for the appearance of persons charged with any criminal offense or violation of law or ordinance punishable by fine, imprisonment, or death, before any of the courts of this state, or securing the payment of fines imposed and of costs assessed by such courts upon final disposition thereof, and the business of a bail bondsman shall be limited to the acts, transactions and undertakings described in this subsection and to no other***[~~Within thirty (30) days from June 19, 1976, every bail bondsman heretofore licensed under Chapter 304, Subtitle 34, shall furnish to the commissioner of the Department of Insurance a certified copy of his daily bond register required by KRS 304.34-070, and the commissioner shall retain the securities of each bail bondsman deposited with the custodian of insurance securities until all undertakings shall have been paid and satisfied in full~~].

(4) KRS 431.510 to 431.550 shall not be construed to limit or repeal KRS 431.021 or to prevent licensed insurers providing security required by Subtitle 39 of KRS Chapter 304 and nonprofit associations from posting or causing to be posted by licensed insurers security or acting as surety for their insureds or members for an offense arising from the operation of a

motor vehicle, provided that such posting of security or acting as surety is merely incidental to the terms and conditions of an insurance contract or a membership agreement and provided further that no separate premium or charge therefor is required from the insureds or members.

Section 62. The following KRS sections are repealed:

304.8-060 Custodian of insurance securities.

304.8-070 Custodian's duties, bond.

304.13-043 Hearings on insurance for political subdivisions.

304.32-220 Examination expense.

304.32-230 Hearings -- Appeal.

304.34-010 Definitions for KRS 304.34-020 to 304.34-140.

304.34-020 Commissioner's power to regulate and enforce -- Application for license.

304.34-030 Bail bondsman's license required.

304.34-040 Security required of bondsmen.

304.34-042 Return of securities deposited by bail bondsman.

304.34-045 Filing of rate schedules required -- Premiums not to exceed approved rates.

304.34-050 Actions required of licensed bondsmen.

304.34-060 Affidavit as to consideration for bail bond.

304.34-070 Records required of bondsmen.

304.34-075 Semiannual reports by bondsmen -- Contents.

304.34-080 Actions prohibited to bondsmen -- Persons prohibited from being bondsmen.

304.34-090 Causes for failure to renew, suspension, or revocation of license.

304.34-100 Procedure on failure to renew, suspension, or revocation of license.

304.34-110 Provisions as to suspension or revocation.

304.34-120 Action on bondsman's license involves other insurance licenses.

304.34-130 Administrative penalties.

304.34-140 Permissible city ordinances.

304.34-160 Commissioner to notify clerks of licensed bondsmen's names, suspensions, revocations, reinstatements -- Clerk's reports.

304.99-030 Penalties for violation of bail bondsman licensing law.

Calendar

HB 200, HB 381, HB 417, HB 377, HB 537, HB 557, HCR 31, HB 427, HB 530, HB 545, HB 574, HB 589, HB 590, HB 599, HB 607, HR 107, HR 109, HB 457, HB 525, HB 526, and **HB 531** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions and Communications

Representative Stumbo moved to suspend the rules to allow for a Rules Committee Report. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 77, HB 116, HB 372, HB 284, HB 369,** and **HB 574** have been posted for passage in the Orders of the Day for February 14, 2002.

Orders of the Day

HB 242 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Branham moved that **HB 242** be passed.

On the roll call the vote was: **Yeas 93, Nays 0**. (See February 13, 2002, roll call on **HB 242** - Appendix.)

HB 242 was passed and the title agreed to.

Representative Branham moved that the vote by which **HB 242** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 474 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Geveden moved that **HB 474** be passed.

On the roll call the vote was: **Yeas 87, Nays 5**. (See February 13, 2002, roll call on **HB 474** - Appendix.)

HB 474 was passed and the title agreed to.

Representative Geveden moved that the vote by which **HB 474** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 98 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Comer moved that **HB 98** be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 13, 2002, roll call on **HB 98** - Appendix.)

HB 98 was passed and the title agreed to.

Representative Comer moved that the vote by which **HB 98** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 351, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riner moved the adoption of the Committee Substitute to **HB 351**. Agreed.

Representative Riner moved that **HB 351**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 96, Nays 1**. (See February 13, 2002, roll call on **HB 351** - Appendix.)

HB 351, by way of Committee Substitute, was passed and the title agreed to.

Representative Riner moved that the vote by which **HB 351**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 357 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Adams moved that **HB 357** be passed.

On the roll call the vote was: **Yeas 97, Nays 0**. (See February 13, 2002, roll call on **HB 357** - Appendix.)

HB 357 was passed and the title agreed to.

Representative J. Adams moved that the vote by which **HB 357** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 400, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Wilkey moved the adoption of the Committee Substitute to **HB 400**. Agreed.

Representative Wilkey moved that **HB 400**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 94, Nays 0**. (See February 13, 2002, roll call on **HB 400** - Appendix.)

HB 400, by way of Committee Substitute, was passed and the title agreed to.

Representative Wilkey moved that the vote by which **HB 400**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 549, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Denham moved the adoption of the Committee Substitute to **HB 549**. Agreed.

Representative Denham moved that **HB 549**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 96, Nays 0**. (See February 13, 2002, roll call on **HB 549** - Appendix.)

HB 549, by way of Committee Substitute, was passed and the title agreed to.

Representative Denham moved that the vote by which **HB 549**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Representative Stumbo moved that the rules be suspended for Introduction of Bills and Committee Reports. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 662, by Representative Haydon: AN ACT relating to motor fuel taxes.

HB 663, by Representative Bather: AN ACT relating to the use of force by peace officers.

HB 664, by Representative Bather: AN ACT relating to Medicaid.

HB 665, by Representative Bather: AN ACT relating to access to reproductive health service facilities and declaring an emergency.

HB 666, by Representatives Feeley and L. Belcher: AN ACT relating to motor vehicles.

HB 667, by Representatives Feeley, Brinkman, Crimm and Graham: AN ACT relating to the protection of adults.

HB 668, by Representatives Palumbo and L. Clark: AN ACT relating to private fire and explosion investigators.

HB 669, by Representatives Cornett, Smith, Weaver, Colter, and Rader: AN ACT relating to student records maintenance.

HR 137, by Representative Haydon: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Roy James Ferris.

HCR 138, by Representative Sims: A CONCURRENT RESOLUTION directing the Interim Joint Committee on Banking and Insurance to study the feasibility of legislation that would create a mechanism to allow small employers, including self-employed persons, to join together solely for the purpose of procuring health insurance coverage.

HJR 139, by Representatives Bather and Burch: A JOINT RESOLUTION directing the Natural Resources and Environmental Protection Cabinet to temporarily suspend the issuance or modification of permits by the cabinet until the risks borne by certain citizen groups associated with the permitted activities are better understood.

HJR 140, by Representative Stacy: A JOINT RESOLUTION naming the "Silver Star Highway" in Morgan County.

Report of Committees (Continued)

The Committee on Licensing and Occupations reported **HB 572, HB 605,** with Committee Substitute attached thereto, and **SB 68** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 572, AN ACT relating to cemeteries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 6, 7, 8, and 9 of this Act, unless the context otherwise requires, "historic cemetery" means any location in this Commonwealth where a human being was buried more than one hundred (100) years prior to the current date, but shall not include a cemetery operated for profit.

SECTION 2. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Historic Cemetery Preservation Program is created to provide financial and technical assistance in the restoration, preservation, and maintenance of historic cemeteries and shall be referred to in Sections 1 to 6 of this Act as the "program."

(2) The program shall be administered by the Kentucky Historic Cemetery Preservation Program Board created in Section 4 of this Act.

(3) The headquarters of the program shall be located at the Kentucky Historical Society.

(4) Staff and administrative assistance shall be provided by the Kentucky Historical Society and the Heritage Council. The program may seek and receive assistance from any state or local government agency, institution of public higher education, institution of private higher education, federal agency, or other person or agency public or private.

SECTION 3. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) The program, in addition to any appropriation by the General Assembly and funding received by the income tax check-off provided for in Sections 7 and 8 of this Act, may seek and receive grants and other funding from any agency or organization, public or private, and from private business entities and private persons.

(2) All funds received by the program shall be placed in a trust and agency account, which shall not lapse, in the State Treasury and which shall be known as the Historic Cemetery Preservation Program fund.

(3) Funds in the Historic Cemetery Preservation Program Fund may be expended by the board for the purposes authorized in Sections 1 to 6 of this Act.

(4) The board may authorize not more than ten percent (10%) of the funds received in each fiscal year to be expended for the purpose of carrying out the administrative tasks associated with the administration of the program.

SECTION 4. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Historic Cemetery Preservation Program Board, referred to in Sections 1 to 6 of this Act as the "board," is hereby created.

(2) The board shall consist of eleven (11) members chosen as follows:

  (a) The executive director of the Heritage Council or his or her designee appointed in writing;

  (b) The director of the Kentucky Historical Society or his or her designee appointed in writing;

  (c) The state librarian or his or her designee appointed in writing;

  (d) The director of the Division of Historic Properties or his or her designee appointed in writing;

  (e) One (1) person appointed by the Governor from a list of three (3) names submitted by the African American Heritage Commission;

  (f) One (1) person appointed by the Governor from a list of three (3) names submitted by the Native American Heritage Commission;

  (g) One (1) person appointed by the Governor from a list of three (3) names submitted by the Kentucky Cemetery Association;

  (h) One (1) archaeologist with a background in cemetery preservation appointed by the Governor from a list of three (3) names submitted by the Kentucky Heritage Council; and

  (i) Three (3) persons appointed by the Governor who have a demonstrated interest or expertise in the protection of historic cemeteries are to be appointed from the appropriate departments within each of the following institutions:

    1. The University of Kentucky;

    2. Kentucky State University; and

    3. The University of Louisville.

(3) A person appointed to represent the executive director of the Heritage Commission, the director of the Historical

Society, or the state librarian shall be deemed a member of the board serving in lieu of the director or executive director of the agency which he or she represents, unless removed in writing by the appointing authority or until the person who is the appointing authority changes, in which case a new appointment may be made.

(4) Each person appointed by the Governor shall serve a term of three (3) years and may be reappointed one (1) time.

(5) At the first meeting of each year, the board shall elect a chair of the board from among the members of the board and set a schedule of not less than four (4) regular meetings. The board may, in accordance with the open meetings law, schedule special or emergency meetings upon the call of the chair of the board.

(6) Any member of the board who misses more than two (2) regular meetings of the board in any one (1) calendar year shall be deemed to have resigned from the board, that position shall be considered as vacant, and the Governor or other appointing authority shall appoint another person from that class of persons to fill the remainder of the term of the person who was deemed to have resigned.

(7) No member of the board shall receive a salary for service on the board. A member of the board shall be reimbursed for reasonable and necessary expenses incurred in carrying out the provisions of Sections 1 to 6 of this Act at the same rate and in the same manner as reimbursement allowed to a state employee.

(8) By January 1 of each year, the board shall make an annual report of its activities for the preceding fiscal year to the Office of the State Budget Director and to the Interim Joint Committee on Appropriations and Revenue. Each respective report shall set forth a complete operating and financial statement covering its operations during the year and a summary of the progress of the board in terms of the results of its financial and technical assistance in the restoration, preservation, and maintenance of historic cemeteries.

SECTION 5. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) The board shall:

(a) Administer the program and set duties for the administrative support staff for the program;

(b) Apply for grants and other funding to operate the program;

(c) Administer funds received by the program from any source, make grants, authorize technical assistance, and carry out any other function authorized for the program by statute; and

(d) Promulgate administrative regulations as in KRS Chapter 13A necessary for the proper administration and operation of the program.

(2) The administrative staff of the program shall:

(a) Carry out the directives of the board;

(b) Receive applications for funding of historic cemetery preservation grants and make recommendations to the board with regard to each application for funding;

(c) Receive applications for technical assistance for the preservation and maintenance of historic cemeteries, make recommendations to the board with regard to each application, and carry out or arrange for the provision of any assistance authorized by the board;

(d) Provide educational programs authorized by the board with regard to the preservation and maintenance of historic cemeteries; and

(e) Carry out or arrange for the provision of any other activity authorized by the board in compliance with Sections 1 to 6 of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) An application for funding by the board or for technical assistance may be made for the purpose of preservation of any historic cemetery.

(2) An application for funding may be made by an agency of the Commonwealth, a city, county, urban-county, charter county, or consolidated local government; a not-for-profit cemetery; a not-for-profit historic or genealogical organization; or a not-for-profit local, community, or civic group.

(3) Grants may be made by the board for equipment, technical consulting, repair of tombstones, monuments and other similar objects, fencing, purchase and placement of markers or signage or other embellishments denoting the historical significance of the cemetery, and wages for nonrecurring and nonroutine maintenance of a cemetery.

(4) No grant funds shall be used for wages for routine maintenance.

(5) Grant funds authorized by the board shall be expended only for the purposes authorized in writing by the board. Proper receipts and accounting shall be required by the board. Any funds allotted shall be expended prior to the expiration of two (2) years from the date of their award and funds remaining unexpended two (2) years from the date of their award shall be returned to the board.

(6) Grant funds provided by the board shall not be utilized for the preservation or maintenance or any other purpose at a cemetery operated for profit. No grant funds shall be utilized for a religious purpose.

(7) No grant of funds provided by the board shall obligate the board to continue the funding beyond any one (1) grant period.

(8) The board shall require the recipient of grant funds to match grant funds allocated by the board on a dollar-for-dollar basis.

(9) The board shall require the property owner of a cemetery which receives grant funding by the board to execute a written easement with the board granting reasonable access to the cemetery to relatives of the deceased, bona fide genealogists, bona fide archaeologists, and representatives of the board for a period of not less than five (5) years from the date of the receipt of the grant funds. Failure of the cemetery or its owner or operator to comply with the access requirements of this subsection shall result in withdrawal of unexpended funds and a bar from future funding for a period of ten (10) years.

(10) A person who is granted access pursuant to an easement executed under this section and is denied access by a grant recipient or a property owner shall have the right to apply to the Circuit Court in the county in which the cemetery is located for an injunction or other court order granting reasonable access to the cemetery.

(11) The board may require execution of a contract by the cemetery or its owner or operator covering any other action required by the board for the receipt of grant funding or assistance which the board deems necessary.

(12) No organization which is not a cemetery or its owner or operator shall provide board grant funds, board funded maintenance, or other services for a cemetery which has not executed any easement or contract required by this section prior to the provision of the maintenance, funding, or other services.

SECTION 7. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

The General Assembly declares that it is the public policy of the Commonwealth of Kentucky to recognize and preserve the cultural, historical, and genealogical heritage of the state's cemeteries for present and future generations. This section and Section 8 of this Act provide a means by which the preservation of eligible Kentucky cemeteries may be financed in part through a voluntary check-off designation on state income tax return forms.

SECTION 8. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

Each taxpayer required to file a return pursuant to KRS 141.180 who is entitled to an income tax refund and who desires to contribute to the Historic Cemetery Preservation Program fund created in Section 3 of this Act may designate as provided in this section an amount, not to exceed the amount of the refund, to be paid to such programs. In the case of a joint return, each spouse may also designate that a portion of the refund shall be paid to said programs. Such designation shall not increase or decrease the income tax liability of any taxpayer, but it shall reduce the income tax refund of such taxpayer or spouse by the amount or amounts designated.

SECTION 9. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

(1) The week prior to Memorial Day of each year shall be Kentucky Cemetery Cleanup Week to encourage the statewide cleanup of cemeteries in the Commonwealth. This week shall provide an opportunity for Kentucky communities, individual citizens, and volunteer groups to participate with local, regional, and state entities, to restore, renew, and protect cemeteries as places of dignity, respect, and pride.

(2) Local governments and private businesses shall be encouraged to participate in Kentucky Cemetery Cleanup Week through developing, organizing, and implementing activities that highlight the historical and cultural heritage of their communities. They are encouraged to work in partnership with civic and volunteer organizations as well as corporate sponsors.

(3) The Governor may annually issue a proclamation recognizing the week prior to Memorial Day of each year as Kentucky Cemetery Cleanup Week and call upon all citizens of the Commonwealth to participate in the occasion to honor our ancestral legacy.

SECTION 10. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Historical Society, with assistance from the Office of the Attorney General and the Department for Local Government, shall develop and may conduct educational training and technical assistance programs and workshops for local officials and interested citizens on cemetery preservation topics, including legal issues.

(2) The Kentucky Historical Society may work with the Local Government Training Advisory Council pursuant to KRS 65.327 to prepare and present the training programs in local communities.

SECTION 11. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) Descendants and family members of deceased persons buried in cemeteries or graves located on privately owned lands in the Commonwealth shall have a right of ingress to and egress from the location of the burial. This right is conditioned upon the following:

  (a) Reasonable notice given by the descendants and family members to the owner and the occupant, if different, of their intention to access the land where the deceased person is buried;

  (b) The access shall be limited to the purposes of visiting the grave, maintaining the grave, and conducting genealogical research;

  (c) The access route shall be designated by the landowner or by an obvious access route that is visible from view of the property;

  (d) The time and manner of access shall be designated by the landowner and both shall be reasonable; and

(e) Descendants and family members of the deceased person shall conduct themselves in a manner that does not damage the private lands, the cemetery, or grave sites, and they shall be liable to the owner of the private lands for any damage caused as a result of their access.

(2) The right of ingress to and egress from the location of the burial of descendants' and family members' ancestors and relatives on privately owned lands in the Commonwealth that is recognized by the General Assembly in subsection (1) of this section is not intended to alter the recognized common law right of a person to visit the grave site of a deceased relative, nor shall it alter any easements, licenses, privileges, or other dedications which grant the right to visit the grave sites of deceased relatives and are in existence as of the effective date of this Act.

(3) Any person denied reasonable access under the provisions of subsection (1) of this section may bring an action in the Circuit Court of the county in which the cemetery or grave site is located to enjoin the owner of the private lands on which the cemetery or grave site is located, or his or her agent, from denying the person reasonable ingress to and egress from the cemetery or grave site for the purposes set forth in subsection (1) of this section. When granting such relief, the court may set the frequency of access, hours, and duration of the access.

Section 12. KRS 382.110 is amended to read as follows:

(1) All deeds, mortgages and other instruments required by law to be recorded to be effectual against purchasers without notice, or creditors, shall be recorded in the county clerk's office of the county in which the property conveyed, or the greater part thereof, is located.

(2) No county clerk or deputy county clerk shall admit to record any deed of conveyance of any interest in real property equal to or greater than a life estate, unless the deed plainly specifies and refers to the next immediate source from which the grantor derived title to the property or the interest conveyed therein.

(3) If the source of title is a deed or other recorded writing, the deed offered for record shall refer to the former deed or writing, and give the office, book and page where recorded, and the date thereof. If the property or interest therein is obtained by inheritance or in any other way than by recorded instrument of writing, the deed offered for record shall state clearly and accurately how and from whom the title thereto was obtained by the grantor.

(4) If the title to the property or interest conveyed is obtained from two (2) or more sources, the deed offered for record shall plainly specify and refer to each of the sources in the manner provided in subsections (2) and (3), and shall show which part of the property, or interest therein, was obtained from each of the sources.

(5) ***If the property to be conveyed contains a cemetery and this fact is known to the grantor, then that fact shall be noted on the deed or other instrument offered for record. If the location of the cemetery is known to the grantor, then the location of the cemetery shall also be noted on the deed or other instrument offered for record.***

(6) No grantor shall lodge for record, and no county clerk or deputy shall receive and permit to be lodged for record, any deed that does not comply with the provisions of this section.

(7)[~~(6)~~] No clerk or deputy clerk shall be liable to the fine imposed by subsection (1) of KRS 382.990 because of any erroneous or false references in any such deed, nor because of the omission of a reference required by law where it does not appear on the face of such deed that the title to the property or interest conveyed was obtained from more than one (1) source.

(8)[~~(7)~~] This section does not apply to deeds made by any court commissioner, sheriff or by any officer of court in pursuance of his duty as such officer, nor to any deed or instrument made and acknowledged before March 20, 1928. No deed shall be invalid because it is lodged contrary to the provisions of this section.

Section 13. KRS 525.105 is amended to read as follows:

(1) A person is guilty of desecration of venerated objects in the first degree when, other than authorized by law, he intentionally excavates or disinters human remains for the purpose of commercial sale or exploitation of the remains themselves or of objects buried contemporaneously with the remains.

(2) Desecration of venerated objects in the first degree is a Class ***(C)***[~~D~~] felony.

Section 14. KRS 525.115 is amended to read as follows:

(1) A person is guilty of violating graves when he intentionally:

(a) Mutilates the graves, monuments, fences, shrubbery, ornaments, grounds, or buildings in or enclosing any cemetery or place of sepulture; or

(b) Violates the grave of any person by destroying, removing, or damaging the headstone or footstone, or the tomb over the enclosure protecting any grave; or

(c) Digs into or plows over or removes any ornament, shrubbery, or flower placed upon any grave or lot.

(2) The provisions of subsection (1) of this section shall not apply to ordinary maintenance and care of a cemetery nor the removal and relocation of graves pursuant to procedures authorized by and in accordance with applicable statutes.

(3) Violating graves is[~~ a Class A misdemeanor for the first offense and~~] a Class D felony[~~ for each subsequent offense~~].

(4) The court shall order the defendant to restore the cemetery to its pre-damage condition.

Section 15. KRS 61.350 is repealed, reenacted as a new section of KRS Chapter 307, and amended to read as follows:

Any civil or judicial officer in this state who fails or refuses to enforce any statute bearing upon cemetery companies or burying grounds shall be fined ***no less than five hundred dollars ($500) and no more than one thousand dollars ($1,000)***~~[twenty five dollars ($25)]~~ for each failure or refusal.

Section 16. KRS 381.690 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

Whenever any burial grounds lie within the corporate limits of a city the governing authorities of the city shall protect the burial grounds from being used for dumping grounds, building sites, playgrounds, places of entertainment and amusement, public parks, athletic fields or parking grounds.

Section 17. KRS 381.697 is repealed, reenacted as a new section of KRS Chapter 307 and amended to read as follows:

Every cemetery in Kentucky~~[except private family cemeteries]~~ shall be maintained by its legal owner or owners, without respect to the individual owners of burial plots in the cemetery, in such a manner so as to keep the burial grounds or cemetery free of growth of weeds, free from accumulated debris, displaced tombstones or other signs and indication of vandalism or gross neglect.

Section 18. KRS 381.700 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

The governing authorities of any city within whose corporate limits any burying grounds lie may require the owner or those having claims to the grounds to properly care for them.

Section 19. KRS 381.710 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

The fact that any tract of land has been set apart for burial purposes and that a part or all of the grounds has been used for burial purposes shall be evidence that such grounds were set aside and used for burial purposes. The fact that graves are not visible on any part of the grounds shall not be construed as evidence that such grounds were not set aside and used for burial purposes.

Section 20. KRS 381.715 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

(1) As used in this section, "cemetery lot" is a lot containing one (1) or more grave spaces and located within a cemetery registered pursuant to KRS 367.946 in a county containing an urban-county government or in a city.

(2) An officer of the cemetery may cause to be filed, on behalf of the cemetery, an action in the Circuit Court of the county where the cemetery is located requesting that the burial rights in the unused portion of the lots in question be deemed abandoned and that the cemetery be authorized to sell the rights upon entry of the court's judgment. The defendants in the action shall be the unknown heirs of the original owner of the burial rights in the lots in question.

(3) The petition shall include the following:
  (a) The name of the original owner of the burial rights in the lots in question.
  (b) The name of all persons buried in the lots and the date of burial, if known.
  (c) The name, address, and telephone number of the cemetery office.
  (d) An affidavit by the petitioner that:
    1. No person has been buried in the cemetery lots in question for a period of at least one hundred (100) years; and
    2. The identity of any owner of the burial rights in the lot in question or any heir of the owner is unknown to any officer or employee of the cemetery and not discoverable after a good faith attempt by an officer or employee to identify the owner or heir.

(4) Service of process shall be by warning order attorney, appointed by the court pursuant to CR 4.07.

(5) If the court finds the allegations set forth in paragraph (d) of subsection (3) of this section to be true, the court shall enter judgment deeming the burial rights in the lots in question abandoned and authorizing the cemetery to sell the rights.

(6) No judgment shall be entered declaring burial rights abandoned if an owner or heir of a cemetery lot has filed with the cemetery a statement in writing directing that certain grave spaces not be used.

Section 21. KRS 381.720 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

Whenever in the opinion of the legislative body of a city of the first, second, third, fourth or fifth class a cemetery located within the boundaries of such city has been abandoned and the land comprising the said cemetery is needed for a public purpose, an ordinance may be enacted declaring such cemetery, as described by metes and bounds, to be abandoned and authorizing the city attorney to institute suit for the city or other governmental agency created by the city in the circuit court of the county in which the city is located against the property comprising the cemetery to declare the said cemetery abandoned and to vest title thereto in the said city, or any governmental agency created by it pursuant to or by authority of the Kentucky Revised Statutes.

Section 22. KRS 381.730 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

Upon the filing of the complaint the city or other governmental agency created by the city shall give notice thereof by publication pursuant to KRS Chapter 424.

Section 23. KRS 381.740 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

Within thirty days after the last advertisement, any party having a claim to the cemetery or any lot therein or to the mortal remains of a person interred therein, may file his claim in the said proceeding for damages as compensation for the value of his interest in the cemetery or lot to which he has claim. Upon the filing of the aforesaid claim the circuit court shall appoint as commissioners three impartial housekeepers who are owners of land. They shall be sworn to faithfully and impartially discharge their duties. The commissioners shall view the land involved and they may hear evidence or make any inquiry they desire touching the value thereof and award to the claimants who are owners thereof the value of the property taken. They shall return a written report to the office of the clerk of the circuit court describing separately the property which is the subject of each claim. Either the claimant or the complainant may file exceptions to this report and demand a jury trial. The commissioners shall be allowed a reasonable fee which shall be taxed as cost.

Section 24. KRS 381.750 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

If no claim is made within thirty days after the last advertisement, or if claims have been made and compensation duly paid either to the claimants or into court, the court shall declare the cemetery to be abandoned and enter judgment accordingly, vesting fee simple title in the complainant. Thereafter claimants shall have thirty days in which to remove the mortal remains and monuments from lots to which they have been adjudged to have claim, the reasonable cost thereof to be paid by the claimant. If, within thirty days after entry of judgment said remains have not been removed by the claimants thereto, it shall be the duty of such complainant, through its proper officers, to pay for the removal of the monument and the disinterment, removal, and the reinterment of such body, or bodies, in such other cemetery in the county in which said city is located as the protesting lot owner may designate, or if no designation be made, to another suitable cemetery in the county.

Section 25. KRS 381.755 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

(1) Upon application of the owner of property upon which is located an abandoned grave or cemetery or whenever the fiscal court of any county deems it to be in the best interest of the county to remove and relocate any such grave or cemetery the court may issue an order or resolution authorizing such removal or relocation.

(2) The order or resolution for the removal and relocation of the grave or cemetery pursuant to subsection (1) shall specify and declare that at any time after the expiration of sixty days after the first publication of notice of such intended action pursuant to KRS Ch. 424, the court shall direct the removal and relocation of the grave or cemetery.

(3) Expenses for removal and relocation of any grave or cemetery under the provisions of this section shall be paid by the individual requesting such removal or if the removal is made in the best interest of the county the expenses shall be paid from county funds.

(4) Any grave or cemetery removed under the provisions of this section shall be relocated in a suitable place at the expense of the person or county requesting such removal and relocation.

(5) For the purposes of this section a grave or cemetery shall be considered abandoned when left untended for a period of ten years preceding the date of the resolution for removal and relocation of the grave or cemetery.

Section 26. KRS 381.760 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

The cost of the proceeding shall be borne by the complainant, and the burden of proof shall be upon the claimant to establish his interest and to establish that it has not been abandoned.

Section 27. KRS 381.765 is repealed and reenacted as a new section of KRS Chapter 307 to read as follows:

If disinterment, removal, and reinterment of graves is effected by the Commonwealth of Kentucky or any of its agencies, public institutions, or political subdivisions, the United States of America or any agency thereof, or any electric power or lighting company, such disinterment, removal, and reinterment shall be performed by a funeral director duly licensed under the provisions of KRS Chapter 316; provided, however, a person holding a valid funeral director's license of another state may perform disinterment, removal and reinterment if the state in which such person is licensed has a reciprocal agreement whereby a license granted under the provisions of KRS Chapter 316 is recognized and accepted in that state.

SECTION 28. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) In any instance where the operator of any cemetery is informed or becomes aware that it has improperly interred or allowed to be improperly interred a body or cremated remains, including but not limited to interment in the wrong space or at the wrong depth, the burial container shall be disinterred, identified as the correct burial container, and properly reinterred under the supervision of a licensed funeral director.

(2) At the time specified for the disinterment and reinterment, the cemetery operator shall permit the next of kin and, if requested, the owner of the burial space to witness the disinterment and reinterment.

(3) The expense of the disinterment and proper reinterment shall be paid by the cemetery in which the body or cremated remains were improperly interred.

SECTION 29. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

(1) The secretary of the Finance and Administration Cabinet shall perform an inventory listing the number, location, and tribal affiliation, if known, of all Native American remains that are currently held by state funded agencies, institutions, or universities. This list shall be reported to the General Assembly on or before January 15, 2003.

(2) The secretary of the Finance and Administration Cabinet shall perform an inventory listing of state owned real estate, including but not limited to, cemeteries that would be suitable for reinterment of Native American remains. This inventory shall be reported to the General Assembly on or before January 15, 2003.

Section 30. KRS 213.076 is amended to read as follows:

(1) A certificate of death or a provisional certificate of death for each death which occurs in the Commonwealth shall be filed with the cabinet or as otherwise directed by the state registrar prior to final disposition, and it shall be registered if it has been completed and filed in accordance with this section. The funeral director, or person acting as such, who first takes custody of a dead body shall be responsible for filing the certificate of death. The funeral director, or person acting as such shall obtain the required personal and statistical particulars from the person best qualified to supply them over the signature and address of the informant. The funeral director, or person acting as such, shall within five (5) days of the death, present the certificate to the attending physician, if any, or to the health officer or coroner as directed by the state registrar, for the medical certificate of the cause of death and other particulars necessary to complete the record as required by this chapter.

(a) It shall be unlawful for an institution to release a dead human body until the funeral director, or person acting as such, has completed and filed with the local registrar or person in charge of the institution, a provisional certificate of death. If death occurs outside an institution, the provisional certificate shall be filed with the local registrar by the funeral director, or person acting as such, prior to final disposition of the dead body. A copy of the provisional certificate of death signed by the person with whom it was filed, shall constitute authority for the possession, transportation, and, except for cremation, final disposition of the body.

(b) All persons having in their possession a completed provisional certificate of death shall file the certificate at not more than weekly intervals with the local registrar.

(c) If the place of death is unknown but the dead body is found in the Commonwealth, the certificate of death shall be completed and filed in accordance with this section. The place where the body is found shall be shown as the place of death. If the date of death is unknown, it shall be determined by approximation subject to amendment upon completion of any postmortem examination required to be performed.

(d) If death occurs in a moving conveyance in the United States and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, and the place where it is first removed shall be considered the place of death. If a death occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, but the certificate shall show the actual place of death insofar as can be determined.

(e) Effective January 1, 2003, in the case of a death in which the body or cremated remains are to be placed in a grave, vault, tomb, crypt, or niche, the specific location of the grave, vault, tomb, crypt, or niche within a cemetery shall be listed in the appropriate location on the death certificate by the individual responsible for filing the certificate of death.

(2) If any certificate of death is incomplete or unsatisfactory, the state registrar shall call attention to the defects in the certificate and require the person responsible for the entry to complete or correct it. The state registrar may also require additional information about the circumstances and medical conditions surrounding a death in order to properly code and classify the underlying cause.

(3) The medical certification shall be completed, signed, and returned to the funeral director within five (5) working days after presentation to the physician, dentist, or chiropractor in charge of the patient's care for the illness or condition which resulted in death, except when inquiry is required by KRS 72.400 to 72.475. In such cases, the coroner shall complete and sign the certificate within five (5) days after receiving results of the inquiry as required by KRS 72.400 to 72.475. In the absence of the physician, dentist, or chiropractor, or with such person's approval, the certificate may be completed and signed by his associate physician, dentist, or chiropractor, or the chief medical officer of the institution in which death occurred, or the physician who performed an autopsy upon the decedent, or a physician employed by the local health department, if the individual has access to the medical history of the case and death is due to natural causes.

(4) If death occurs more than thirty-six (36) hours after the decedent was last treated or attended by a physician, dentist, or chiropractor, the case shall be referred to the coroner for investigation to determine and certify the cause of death. In the event that a coroner is not available to sign the certificate and there is no duly appointed deputy, the county judge/executive shall appoint a competent person to investigate the death and certify to its cause.

(5) The physician, dentist, chiropractor, or coroner who certifies to the cause of death shall return the certificate to the funeral director, or person acting as such, who, in turn, shall file the certificate directly with the Office of Vital Statistics. Any certified copies of the record requested at the time of filing shall be issued in not more than two (2) working days.

(6) The Office of Vital Statistics shall provide self-addressed, color-coded envelopes for the funeral homes in the Commonwealth of Kentucky.

(7) Three (3) free verification-of-death statements shall be provided to the funeral director by the Office of Vital Statistics for every death in the Commonwealth of Kentucky.

(8) The body of any person whose death occurs in Kentucky shall not be interred, deposited in a vault or tomb, cremated or otherwise disposed of, or removed from or into any registration district, until a provisional certificate of death has been filed with the local registrar of the registration district in which the death occurs. If the death occurred from a disease declared by the Cabinet for Health Services to be infectious, contagious, or communicable and dangerous to the public health, no permit for the removal or other disposition of the body shall be granted by the registrar except under conditions

prescribed by the Cabinet for Health Services and the local health department. The Cabinet for Health Services shall identify by regulation those communicable diseases which require blood and body fluid precautions. If a person who has been diagnosed as being infected with a communicable disease for which blood and body fluid precautions are required, dies within a health facility as defined in KRS 216B.015, the facility shall notify any embalmer or funeral director to whom the body will be transported of the need for such precautions. The notice shall be provided by including the statement "Blood and Body Fluid Precautions" on the provisional report-of-death form as prescribed by the Cabinet for Health Services. Lack of this notice shall not relieve any embalmer or funeral director from taking universal blood and body fluid precautions as are recommended by the United States Department of Health and Human Services, Centers for Disease Control for Morticians' Services. No embalmer or funeral director shall charge more for embalming the remains of a person with a communicable disease which requires blood and body fluid precautions than the price for embalming services listed on the price list funeral providers are required to maintain and provide to consumers pursuant to 16 C.F.R. Sec. 453.2 (1988).

(9) A burial-transit permit for the final disposition issued under the law of another state which accompanies a dead body or fetus brought into the Commonwealth shall be the authority for final disposition of the body or fetus in the Commonwealth and may be accepted in lieu of a certificate of death. There shall be noted on the face of the record made for return to the local registrar that the body was shipped to Kentucky for interment and the actual place of death.

(10) Nothing in this section shall be construed to delay, beyond a reasonable time, the interment or other disposition of a body unless the services of the coroner or the health officer are required or the Department for Public Health deems it necessary for the protection of the public health. If compliance with this section would result in unreasonable delay in the disposition of the body the funeral director, or person acting as such, shall file with the local registrar or deputy registrar prior to interment a provisional certificate of death which shall contain the name, date, and place of death of the deceased, the name of the medical certifier, and an agreement to furnish within ten (10) days a complete and satisfactory certificate of death.

(11) No sexton or other person in charge of any place in which interment or other disposition of dead bodies is made shall inter or allow interment or other disposition of a dead body or fetus unless it is accompanied by a copy of the provisional certificate of death. The sexton, or if there is no sexton, the funeral director, or person acting as such, shall enter on the provisional certificate over his signature, the date, place, and manner of final disposition and file the certificate within five (5) days with the local registrar.

(12) Authorization for disinterment, transportation, and reinterment or other disposition shall be required prior to disinterment of any human remains. The authorization shall be issued by the state registrar upon proper application. The provisions of this subsection shall apply to all manners of disposition except cremation and without regard for the time and place of death. The provisions of KRS 381.765 shall not apply to remains removed for scientific study and the advancement of knowledge.

(13) After a death certificate has been on file for five (5) years, it may not be changed in any manner except upon order of a court. Prior to that time, requests for corrections, amendments, or additions shall be accompanied by prima facie evidence which supports the requested change.

HB 605, AN ACT relating to souvenir retail liquor licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 243.0305 is amended to read as follows:

(1) A souvenir retail liquor license may be issued to any licensed Kentucky distiller that has a gift shop or other retail outlet on its premises, if the distillery is located in wet territory. The application shall be made on forms provided by the board.

(2) A wholesaler registered to distribute the brands of any distiller holding a souvenir retail license may permit the distiller to deliver a souvenir package directly from the distillery proper to the portion of the distillery premises operated by the licensee for the sale of souvenir packages. However, all direct shipments shall be invoiced from the distiller to the wholesaler and from the wholesaler to the souvenir package licensee, and all products directly shipped shall be included in the wholesaler's inventory and depletions for purposes of tax collections imposed pursuant to KRS 243.710 to 243.895 and 243.990.

(3) A distiller who has obtained a souvenir retail license may sell souvenir packages at retail to distillery visitors of legal drinking age, in quantities not to exceed an aggregate of three (3) liters per visitor per day. ***This limitation as to quantity shall not apply to a purchaser that is a person, partnership, limited liability partnership, corporation, limited liability company, or other business entity holding an event on the premises of the distillery***. These sales shall be permitted only through the gift shop or other retail outlet on the distiller's premises.

(4) Hours of sale for a souvenir retail liquor licensee shall be 9 a.m. until 9 p.m. prevailing time Monday through Saturday. The licensed premises may remain open if they have a separate department pursuant to KRS 244.290(1).

(5) Except as provided in this section, souvenir retail liquor licenses shall be governed by all the statutes and administrative regulations governing the retail sale of distilled spirits by the package.

(6) No wholesaler may restrict the sale of souvenir packages to the souvenir retail liquor licensee exclusively, but shall make souvenir packages available to any Kentucky retail licensee licensed for the sale of distilled spirits by the package.

The Committee Substitute to **HB 605** is as follows:

HB 605, AN ACT relating to souvenir retail liquor licenses.

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Section 1. KRS 243.0305 is amended to read as follows:

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(2) A wholesaler registered to distribute the brands of any distiller holding a souvenir retail license may permit the distiller to deliver a souvenir package directly from the distillery proper to the portion of the distillery premises operated by the licensee for the sale of souvenir packages. However, all direct shipments shall be invoiced from the distiller to the wholesaler and from the wholesaler to the souvenir package licensee, and all products directly shipped shall be included in the wholesaler's inventory and depletions for purposes of tax collections imposed pursuant to KRS 243.710 to 243.895 and 243.990.

(3) A distiller who has obtained a souvenir retail license may sell souvenir packages at retail to distillery visitors of legal drinking age, in quantities not to exceed an aggregate of three (3) liters per visitor per day***, with the exception of a purchase by a partnership, limited liability partnership, corporation, limited liability company, or other business entity holding an event on the premises of the distillery, in which case the limitation shall be one (1) liter per visitor attending the event***. These sales shall be permitted only through the gift shop or other retail outlet on the distiller's premises.

(4) Hours of sale for a souvenir retail liquor licensee shall be 9 a.m. until 9 p.m. prevailing time Monday through Saturday. The licensed premises may remain open if they have a separate department pursuant to KRS 244.290(1).

(5) Except as provided in this section, souvenir retail liquor licenses shall be governed by all the statutes and administrative regulations governing the retail sale of distilled spirits by the package.

(6) No wholesaler may restrict the sale of souvenir packages to the souvenir retail liquor licensee exclusively, but shall make souvenir packages available to any Kentucky retail licensee licensed for the sale of distilled spirits by the package.

SB 68, AN ACT relating to the practice of occupational therapy.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 319A.010 is amended to read as follows:

As used in this chapter:

(1) "Board" means the Kentucky ***Board of Licensure for*** Occupational Therapy[~~Board~~] appointed by the Governor;

(2) ***"Practice of occupational therapy" means the therapeutic use of purposeful and meaningful occupations (goal-directed activities) to evaluate and treat individuals who have a disease or disorder, impairment, activity limitation, or participation restriction that interferes with their ability to function independently in daily life roles, and to promote health and wellness. Occupational therapy intervention may include:***

- ***(a) Remediation or restoration, through goal-directed activities, of those performance abilities that are limited due to impairment in biological, physiological, or neurological processes;***
- ***(b) Adaptation of task, process, or the environment or the teaching of compensatory techniques to enhance performance;***
- ***(c) Disability prevention methods and techniques that facilitate the development or safe application of performance skills; and***
- ***(d) Health promotion strategies and practices that enhance performance abilities***[~~"Occupational therapy" means the use of goal-directed activities with individuals who are limited by physical limitations due to injury or illness, psychiatric and emotional disorders, developmental or learning disabilities, poverty and cultural differences or the aging process, in order to maximize independence, prevent disability and maintain health. The practice encompasses evaluation, treatment and consultation. Occupational therapy services include: teaching daily living skills; developing perceptual-motor skills and sensory integrative functioning; developing play skills and prevocational and leisure capacities; designing, fabricating, or applying selective orthotic and prosthetic devices or selective adaptive equipment; using specifically designed crafts and therapeutic activities to enhance functional performance; administering and interpreting tests such as manual muscle and range of motion; using and administering certain modalities, specifically hot and cold water, hot packs and cold packs, neutral warmth, quick icing, and paraffin to the hand; and consulting in the adaptation of the environment for individuals with disabilities.~~

~~These services shall be provided individually, in groups, or through medical, health, educational and social systems. The practice of occupational therapy shall not include gait training; the use or application of electromodalities; accessory joint mobilizations; assessment of integrity and pathology of muscle, soft tissue and joint capsule; and postural or biomechanical analysis; fluidotherapy, diathermy (shortwave, microwave or infrared), ultrasound or whirlpools~~];

(3) "Occupational therapist" means a person licensed to practice occupational therapy under this chapter;

(4) "Occupational therapy assistant" means a person licensed to assist in the practice of occupational therapy under this chapter, who works under the supervision of an occupational therapist;

(5) "[~~Occupational therapy~~]Aide" means a person *who is* not licensed *by the board who provides supportive services to occupational therapists and occupational therapy assistants. An aide shall function under the guidance and responsibility of a licensed occupational therapist and is supervised by an occupational therapist or an occupational therapy assistant for specifically selected routine tasks for which the aide has been trained and has demonstrated competence. The aide shall comply with supervision requirements developed by the board that are consistent with prevailing professional standards;*[~~who assists in the practice of occupational therapy under the direct supervision of a licensed occupational therapist or occupational therapy assistant and who is required to have an understanding of occupational therapy but is not required to have professional or advanced training in the basic anatomical, biological, psychological, and social sciences involved in the practice of occupational therapy; and~~]

(6) *"Occupational therapy services" include, but are not limited to:*

(a) Evaluating, developing, improving, sustaining, or restoring skills in basic and instrumental activities of daily living (BADLs and IADLs), work or productive activities, and play and leisure activities;

(b) Evaluating, developing, remediating, or restoring components of performance as they relate to sensorimotor, cognitive, or psychosocial aspects;

(c) Designing, fabricating, applying, and training in the use of assistive technology or orthotic devices and training in the use of prosthetic devices for functional mobility and activities of daily living;

(d) Adapting environments and processes, including the application of ergonomic principles, to enhance performance and safety in daily life roles;

(e) Applying superficial physical agent modalities as an adjunct to or in preparation for engagement in occupations;

(f) Applying deep physical agent modalities as an adjunct to or in preparation for engagement in occupations, in accordance with Section 5 of this Act;

(g) Evaluating and providing intervention in collaboration with the client, family, caregiver, or others;

(h) Educating the client, family, caregiver, or others in carrying out appropriate nonskilled interventions; and

(i) Consulting with groups, programs, organizations, or communities to provide population-based services;

(7) "Person" means any individual, partnership, or unincorporated organization, or corporation*;*

(8) "Deep physical agent modalities" means any device that uses sound waves or agents which supply or induce an electric current through the body, which make the body a part of the circuit, including iontophoresis units with a physician's prescription, ultrasound, transcutaneous electrical nerve stimulation units and functional electrical stimulation, or microcurrent devices; and

(9) "Superficial physical agent modalities" means hot packs, cold packs, ice, fluidotherapy, paraffin, water, and other commercially available superficial heating and cooling devices.

Section 2. KRS 319A.020 is amended to read as follows:

(1) There is hereby created the Kentucky *Board of Licensure for* Occupational Therapy[~~ Board~~] which shall consist of seven (7) members to be appointed by the Governor. *Four (4)*[~~Five (5)~~] members shall be licensed occupational therapists with at least five (5) years' experience; one (1) member shall be a *licensed*[~~certified~~] occupational therapy assistant with[~~,~~] at least five (5) years' experience in the practice of occupational therapy; and *two (2) members shall be members of the public with an interest in the rights of consumers of health services*[~~one (1) member shall be a consumer~~].

(2) Appointments for the occupational therapists and occupational therapy assistant positions may be made from recommendations submitted to the Governor by the Kentucky Occupational Therapy Association.

Section 3. KRS 319A.040 is amended to read as follows:

The board shall meet at least annually and may meet at such other times as *necessary to complete the business required*[~~its bylaws provide~~]. A majority of the members of the board shall constitute a quorum for the transaction of business. *Annually*[~~At its initial meeting~~] the board shall elect from its membership a chairman, a vice chairman and a secretary to serve for one (1) year terms.[~~ The board shall have the power to adopt bylaws and rules of procedure necessary to perform its duties.~~]

Section 4. KRS 319A.070 is amended to read as follows:

(1) The board shall administer and enforce the provisions of this chapter and shall have the responsibility of evaluating the qualifications of applicants for licensure.

(2) The board may issue subpoenas, examine witnesses, administer oaths, and investigate allegations of practices violating the provisions of this chapter.

(3) The board may:

(a) Promulgate administrative regulations, pursuant to KRS Chapter 13A, relating to professional conduct to carry out the provisions of this chapter, including***,*** but not limited to, administrative regulations relating to professional licensure and holding a license to practice occupational therapy ***or assist in the practice of occupational therapy*** in the Commonwealth;

(b) Conduct administrative hearings in accordance with KRS Chapter 13B;

(c) Evaluate the qualifications and authorize the issuance of licenses to qualified occupational therapists and occupational therapy assistants;

(d) Issue and renew licenses ***based on evidence of initial and continued competence of persons subject to this chapter***;

(e) Suspend or revoke licenses;

(f) Require the continuing professional education of persons subject to this chapter;

(g) Keep a record of its proceedings and a register of all persons licensed as occupational therapists or occupational therapy assistants. The register shall show the name of every licensee, the licensee's last known place of business and last known place of residence, and the date and number of the license of each licensed occupational therapist or occupational therapy assistant. The board shall, during the month of January of every year, compile and make available a list of licensed occupational therapists and occupational therapy assistants authorized to practice in the Commonwealth. Any citizen of the Commonwealth may obtain a copy of the list upon application to the board and payment of an amount to be fixed by the board, which shall not exceed its cost;

(h) Make an annual report to the ***Governor and the*** General Assembly which shall contain an account of duties performed, actions taken, and appropriate recommendations;[~~ and~~]

(i) ***Institute and maintain actions to restrain or enjoin any violation of this chapter and administrative regulations notwithstanding the existence or pursuit of other civil or criminal penalties;***

(j) Approve an examination for occupational therapists and occupational therapy assistants and establish standards for acceptable performance;

(k) Seek an injunction in Franklin Circuit Court against any individual who practices occupational therapy in the Commonwealth without a license; and

(l) Promulgate administrative regulations to define appropriate supervision of assistants, aides, and unlicensed personnel that are delivering occupational therapy services[~~In a contested case, subpoena witnesses, designated documents, papers, books, accounts, letters, photographs, objects, or other tangible things. All legal process and all documents required by law to be served upon or filed with the board shall be served upon or filed with the chairman. All official records of the board or affidavits certifying the content of such records shall be prima facie evidence of all matters required to be kept therein~~].

Section 5. KRS 319A.080 is amended to read as follows:

(1) It shall be unlawful for any person to practice occupational therapy***, assist in the practice of occupational therapy,*** or render services designated as occupational therapy in the Commonwealth of Kentucky, unless licensed under the provisions of this chapter.

(2) The licensure of occupational therapists and occupational therapy assistants shall extend only to individuals. A license shall not be issued to a partnership, unincorporated association, corporation***,*** or similar business organization.

(3) ***It shall be unlawful for a person to act or represent himself or herself as an occupational therapist or occupational therapy assistant,***[~~A person shall not~~] use the title "occupational therapist" or ***"occupational therapy assistant," or use the letters OT or OTA or any abbreviation or acronym that would imply licensing under this chapter,***[~~a title set forth in this chapter as it relates to the practice of occupational therapy~~] unless ***the***[~~ such~~] person is licensed and is in good standing in accordance with the requirements of this chapter. A person, health care institution, health care service, health plan***,*** or other ***entity***[~~institution~~] holding itself out to the public as providing occupational therapy services shall not use ***the***[~~such a~~] title unless the occupational therapy services are provided by a person licensed under this chapter.

(4) (a) It shall be unlawful for a person licensed under this chapter to utilize occupational therapy interventions involving deep physical agent modalities, unless the following requirements are met:

1. The person is an occupational therapist licensed under this chapter who has successfully completed a minimum of thirty-six (36) hours of training or instruction that meets the requirements specified in administrative regulations promulgated by the board, as well as five (5) treatments under supervision;

2. The person is an occupational therapist licensed under this chapter who has successfully completed the certified hand therapist examination approved by the Hand Therapy Certification Commission, and who has successfully completed a minimum of twelve (12) hours of training or instruction that meets the

requirements specified in administrative regulations promulgated by the board, as well as five (5) treatments under supervision; or

3. The person is an occupational therapy assistant licensed under this chapter who has successfully completed a minimum of seventy-two (72) hours of training or instruction that meets the requirements specified in administrative regulations promulgated by the board, as well as five (5) treatments under supervision.

(b) The board shall promulgate administrative regulations setting forth content guidelines for the training and instruction required in this subsection. Guidelines shall be based on policies and positions adopted by the American Occupational Therapy Association.

Section 6. KRS 319A.090 is amended to read as follows:

(1) The provisions of this chapter shall not be construed as preventing or restricting the practices, services*,* or activities of:

(a)[~~(1)~~] A person licensed in accordance with the provisions of another law of the Commonwealth from engaging in the profession or occupation for which licensed;

(b)[~~(2)~~] A person employed as an occupational therapist or an occupational therapy assistant by the United States government*,* provided that person provides occupational therapy solely under the direction or control of the organization by which the person is employed;

(c)[~~(3)~~]A person pursuing a course of study leading to a degree or certificate in occupational therapy at an accredited or approved educational program, provided the activities and services are part of a supervised course of study and the person is designated by a title which clearly indicates the status of student or trainee and not licensed occupational therapist *or occupational therapy assistant*;

(d)[~~(4)~~] A person fulfilling the supervised fieldwork experience requirements of this chapter, provided such activities and services constitute a part of the experience necessary to meet the requirements of that program;

(e)[~~(5)~~]Any person performing occupational therapy services in the Commonwealth, if these services are performed for no more than sixty (60) days in a calendar year in association with an occupational therapist licensed under this chapter, provided that:

1.[~~(a)~~] The person is licensed under the law of another state which has licensure requirements at least as stringent as the requirements of this chapter; or

2.[~~(b)~~] The person meets the requirements for *current* certification as an occupational therapist[~~ registered~~] or *an*[~~a certified~~] occupational therapy assistant, as established by the *National Board for Certification in Occupational Therapy or its equivalent; or*

(f) [~~American Occupational Therapy Association; and(6)~~]Any person employed as an occupational therapy aide.

(2) Occupational therapy services shall not include gait training, spinal or pelvic adjustment or manipulation, and the use of deep physical agent modalities, except as provided in Section 5 of this Act.

(3) Occupational therapy services shall also not include independent diagnostic evaluation for the determination of visually related rehabilitative treatment plans or the testing and prescription of optical, electronic or assistive technology low vision devices. Occupational therapists may only provide low vision or visual therapy services, as defined in administrative regulation, under the direct supervision of an optometrist, ophthalmologist, or physician, or by written prescription from an optometrist, ophthalmologist, or physician. These services shall be provided in accordance with a written evaluation and clinical treatment plan from an optometrist, ophthalmologist, or physician. The board shall promulgate administrative regulations pursuant to this subsection in collaboration with the Kentucky Board of Optometric Examiners.

Section 7. KRS 319A.110 is amended to read as follows:

(1) An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall file a written application on a form provided by the board, showing to the satisfaction of the board that *the*[~~such~~] person:

(a) Is of good moral character; and

(b) Has successfully completed the academic requirements of an educational program in occupational therapy *or for occupational therapy assistants accredited by the American Occupational Therapy Association's Accreditation Council for Occupational Therapy Education or its equivalent*[~~recognized by the board~~].

(2) [~~The occupational therapy educational program shall be accredited by the Committee on Allied Health Education and Accreditation of the American Medical Association in collaboration with the American Occupational Therapy Association, and shall be approved by the American Occupational Therapy Association.~~

~~(3)~~]An applicant shall submit to the board evidence of successful completion of a period of supervised fieldwork experience arranged by the recognized educational institution where the applicant met the academic requirements[~~ or by the American Occupational Therapy Association~~]. To be considered for licensure, the following minimum amount of supervised fieldwork experience shall have been completed:

(a) ***The equivalent of twenty-four (24) weeks***[~~Six (6) months~~] for an occupational therapist; and

(b) ***The equivalent of sixteen (16) weeks***[~~Two (2) months~~] for an occupational therapy assistant.

(3)[~~(4)~~] An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall pass an examination as provided for in KRS 319A.120.

Section 8. KRS 319A.120 is amended to read as follows:

[~~(1)~~]Individuals applying for licensure[~~, except as provided in KRS 319A.140,~~] shall be required to pass a written ***or computer-based*** examination approved by the board, which is designed to test the knowledge and experience necessary to the safe, effective***,*** and professional practice of occupational therapy in Kentucky. The examination shall test the applicant's knowledge of the basic and clinical sciences related to the occupational therapy ***theory, research, practice, ethics, and professional behavior***[~~techniques and methods~~], and such other subjects as the board may require to determine the applicant's fitness to practice.[~~ The board shall approve an examination for occupational therapists and occupational therapy assistants and establish standards for acceptable performance.~~

~~(2) Applicants for licensure shall be examined at a time and place determined by the board. The examination shall be given at least twice a year. The board shall notify applicants by mail of the time and place of scheduled examinations.~~

~~(3) Individuals applying for licensure shall remit an examination fee, to be determined by the board, prior to admission to take the written examination, using forms provided by the board. A person who fails an examination may apply for reexamination to the board accompanied by the prescribed fee.~~

~~(4) Applicants for licensure may obtain their examination scores and may review but not copy or remove from the premises of the board their own graded examination papers in accordance with such rules and regulations as the board may establish pursuant to KRS Chapter 13A.~~]

Section 9. KRS 319A.140 is amended to read as follows:

On the payment to the board of fees required by this chapter and on submission of a written application on forms provided by the board, the board shall issue a license to:

(1) A person[~~ paying the fee and filing an application within one (1) year from July 15, 1986,~~] who presents evidence satisfactory to the board ***of being a registered occupational therapist***[~~that the applicant was an occupational therapist registered~~] or a certified occupational therapy assistant through the ***National Board for Certification in Occupational Therapy, or its equivalent, and who has met the academic and fieldwork requirements of Section 7 of this Act and the examination requirement of Section 8 of this Act; or***[~~certification of the American Occupational Therapy Association prior to July 15, 1986; and~~]

(2) A person[~~ paying the fee and filing an application~~] who presents evidence satisfactory to the board of being ***currently*** licensed, certified***,*** or registered as an occupational therapist or occupational therapy assistant by another state, territory of the United States***,*** or the District of Columbia,[~~ or of being a certified occupational therapist or certified occupational therapy assistant through the American Occupational Therapy Association and of residing in or practicing in another state or territory of the United States or the District of Columbia~~] where the requirements for licensure, registration***,*** or certification are[~~ substantially~~] equal to ***or greater than*** the requirements set forth in this chapter.

Section 10. KRS 319A.160 is amended to read as follows:

(1) Licenses issued under this chapter shall be subject to annual renewal and shall expire unless renewed upon the payment of a renewal fee in the manner prescribed by the rules of the board.

(2) The board may set a required number of continuing education units for license renewal.

(3) At least thirty (30) days before the renewal date, the board shall mail an application for renewal to every person to whom a license was issued during the current licensure period.

(4) A sixty (60) day grace period shall be allowed during which time licenses may be renewed on payment of a late renewal fee as set forth in administrative regulations promulgated by the board.

(5) The board may provide for the late renewal of a license upon the payment of a late fee in accordance with its rules, but no such renewal of a license may be granted more than five (5) years after its expiration.

(6) Licenses not renewed in a timely manner or by the end of the grace period shall be considered expired. Expired licenses may be restored in accordance with the requirements set forth by the board in administrative regulation. A person who fails to restore his license within five (5) years after its expiration may not restore it, and it shall not be restored, reissued, or reinstated thereafter. The person may apply for and obtain a new license if current requirements of this chapter are met.

(7) Any person practicing occupational therapy after the license has expired shall be considered an illegal practitioner and shall be subject to the penalties provided for violations of the provisions of this chapter.

(8)[~~(2)~~] A suspended license is subject to expiration and may be ***restored***[~~renewed~~] as provided in this section, but ***restoration***[~~such renewal~~] shall not entitle the licensee, while the license remains suspended and until it is reinstated, to engage in the licensed activity, or in any other conduct or activity in violation of the order or judgment by which the license was suspended.

(9) [~~If~~]A license revoked on disciplinary grounds is ***subject to expiration and may not be renewed. If the license is subsequently*** reinstated, the licensee, as a condition of reinstatement shall pay ***a reinstatement fee,*** the renewal fee***,*** and any late fee that may be applicable.

(10) Upon petition to the board, licensees may be granted inactive license status for a period of time not to exceed three (3) years. Licensees shall not practice occupational therapy or assist in the practice of occupational therapy while under inactive status. Inactive licensees may apply for an active license after paying a fee provided for by administrative regulation of the board.

(11) Each occupational therapist and occupational therapy assistant licensed under this chapter shall notify the board in writing of any change in the person's name, home or office address, or employment within thirty (30) days after the change has taken place.

Section 11. KRS 319A.170 is amended to read as follows:

Fees shall be collected and determined by the board for the following:

(1) Initial license fee (nonrefundable):

(a) Registered occupational therapist, not to exceed fifty dollars ($50);[~~ and~~]

(b) Certified occupational therapy assistant, not to exceed thirty-five dollars ($35); ***and***

(c) Certification for use of deep physical agent modalities, not to exceed twenty-five dollars ($25);

(2) Renewal of license fees, not to exceed fifty dollars ($50); and

(3) Late renewal fees, not to exceed seventy-five dollars ($75).

Section 12. KRS 319A.180 is amended to read as follows:

Foreign-trained occupational therapists[~~ and occupational therapy assistants~~] who apply to be licensed by the board shall[~~, before examination,~~] furnish proof of good moral character and shall present proof indicating the completion of educational requirements[~~ substantially~~] equal to ***or greater than*** those contained in KRS 319A.110 ***and examination requirements of Section 8 of this Act***.

Section 13. KRS 319A.190 is amended to read as follows:

(1) The board may deny or refuse to renew a license, may suspend or revoke a license, or may impose probationary conditions where the licensee or applicant for licensure has engaged in unprofessional conduct which has endangered or is likely to endanger the health, welfare, or safety of the public. Unprofessional conduct shall include:

(a) Obtaining a license by means of fraud, misrepresentation, or concealment of material facts;

(b) Unprofessional conduct as defined by administrative regulations promulgated by the board, or violating the code of ethics promulgated by the board;

(c) Being convicted of a felony in any court if the ***act or*** acts for which he was convicted are found by the board to have a direct bearing on whether he should be entrusted to serve the public in the capacity of a ***licensed***[~~registered~~] occupational therapist or ***licensed***[~~certified~~] occupational therapy assistant;

(d) Violating any lawful order or administrative regulation rendered or promulgated by the board; or

(e) Violating any provision of this chapter.

(2) A denial, refusal to renew, suspension, revocation, or imposition of probationary conditions upon a license may be ordered by the board in a decision made after ***an administrative***[~~a~~] hearing conducted in accordance with KRS Chapter 13B ***and administrative regulations promulgated by the board***.[~~ One (1) year from the date of the revocation of a license, application may be made to the board for reinstatement.~~] The board shall have discretion to accept or reject an application for reinstatement ***following an administrative hearing conducted in accordance with KRS Chapter 13B***[~~, but shall be required to hold a hearing to consider the reinstatement~~].

(3) The surrender of a license shall not serve to deprive the board of jurisdiction to proceed with disciplinary actions under this chapter.

Section 14. KRS 319A.990 is amended to read as follows:

Any person violating any provision of this chapter shall be fined not less than one hundred dollars ($100) nor more than ***one thousand***[~~five hundred~~] dollars ***($1,000)***[~~($500)~~], or imprisoned[~~ in the county jail~~] for not more than six (6) months, or both.

Section 15. The following KRS section is repealed:

319A.130 Requirements for licensure.

The Committee on Judiciary reported **HB 383,** with Committee Substitute attached thereto, **HB 428,** with Committee Substitute attached thereto, **HB 451, HB 523,** with Committee Substitute and Committee Amendment attached thereto, **HB 560,** and **HJR 86** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 383, AN ACT relating to the Court of Justice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 23A IS CREATED TO READ AS FOLLOWS:

In any judicial circuit where a family court is established or has been established the position of domestic relations commissioner is abolished and no commissioner shall be appointed to hear or determine any matter within the jurisdiction of the family court.

SECTION 2. A NEW SECTION OF KRS CHAPTER 24A IS CREATED TO READ AS FOLLOWS:

In any judicial district where a family court is established or has been established the position of domestic relations commissioner is abolished and no commissioner shall be appointed to hear or determine any matter within the jurisdiction of the family court.

The Committee Substitute to **HB 383** is as follows:

HB 383, AN ACT relating to the Court of Justice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 23A IS CREATED TO READ AS FOLLOWS:

In any judicial circuit where a family court is established or has been established the position of domestic relations commissioner is abolished and no commissioner shall be appointed to hear or determine any matter within the jurisdiction of the family court.

SECTION 2. A NEW SECTION OF KRS CHAPTER 24A IS CREATED TO READ AS FOLLOWS:

In any judicial district where a family court is established or has been established the position of domestic relations commissioner is abolished and no commissioner shall be appointed to hear or determine any matter within the jurisdiction of the family court.

Section 3. This Act takes effect January 1, 2003.

HB 428, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 508.130 is amended to read as follows:

As used in KRS 508.130 to 508.150, unless the context requires otherwise:

(1) (a) To "stalk" means to engage in an intentional course of conduct:
    1. Directed at a specific person or persons;
    2. Which seriously alarms, annoys, intimidates, or harasses the person or persons; and
    3. Which serves no legitimate purpose.
  (b) The course of conduct shall be that which would cause a reasonable person to suffer substantial mental distress.

(2) "Course of conduct" means a pattern of conduct composed of two (2) or more acts, evidencing a continuity of purpose. Constitutionally protected activity is not included within the meaning of "course of conduct." If the defendant claims that he was engaged in constitutionally protected activity, the court shall determine the validity of that claim as a matter of law and, if found valid, shall exclude that activity from evidence.

(3) "Protective order" means:
  (a) An emergency protective order or domestic violence order issued under KRS 403.715 to 403.785;
  (b) A foreign protective order, as defined in KRS 403.7521(1);
  (c) An order issued under KRS 431.064;[~~ and~~]
  (d) *A permanent restraining order issued in accordance with Section 2 of this Act; and*
  (e) Any condition of a bond, conditional release, probation, parole, or pretrial diversion order designed to protect the victim from the offender.

SECTION 2. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A verdict of guilty or a plea of guilty to KRS 508.140 or 508.150 shall operate as an application for a permanent restraining order limiting the contact of the defendant and the victim who was stalked, unless the victim requests

otherwise.

(2) The court shall give the defendant notice of his or her right to request a hearing on the application for a permanent restraining order. If the defendant waives his or her right to a hearing on this matter, then the court may issue the permanent restraining order without a hearing.

(3) If the defendant requests a hearing, it shall be held at the time of the verdict or plea of guilty, unless the victim or defendant requests otherwise. The hearing shall be held in the court where the verdict or plea of guilty was entered.

(4) A permanent restraining order may grant the following specific relief:

(a) An order restraining the defendant from entering the residence, property, school, or place of employment of the victim; or

(b) An order restraining the defendant from making contact with the victim, including an order forbidding the defendant from personally, or through an agent, initiating any communication likely to cause serious alarm, annoyance, intimidation, or harassment including, but not limited to, personal, written, telephonic, or any other form of written or electronic communication or contact with the victim, the victim's employer, employees and coworkers, or others with whom the communication would be likely to cause serious alarm, annoyance, intimidation, or harassment to the victim.

(5) The permanent restraining order shall be issued on a form prescribed by the Administrative Office of the Courts and may be lifted upon application of the stalking victim to the court which granted the order.

(6) The circuit clerk shall, within twenty-four (24) hours, enter a permanent restraining order into the Law Information Network of Kentucky, and shall, within twenty-four (24) hours of a removal of an order, accordingly update the Law Information Network of Kentucky.

(7) A permanent restraining order issued under this section shall be enforced in any county of the Commonwealth. Law enforcement officers acting in good faith in enforcing a permanent restraining order shall be immune from criminal and civil liability.

(8) A violation by the defendant of an order issued pursuant to this section shall be a Class A misdemeanor. Nothing in this section shall preclude the filing of a criminal complaint for stalking based on the same act which is the basis for the violation of the permanent restraining order.

Section 3. KRS 431.005 is amended to read as follows:

(1) A peace officer may make an arrest:

(a) In obedience to a warrant; or

(b) Without a warrant when a felony is committed in his presence; or

(c) Without a warrant when he has probable cause to believe that the person being arrested has committed a felony; or

(d) Without a warrant when a misdemeanor, as defined in KRS 431.060, has been committed in his presence; or

(e) Without a warrant when a violation of KRS 189.290, 189.393, 189.520, 189.580, 511.080, or 525.070 has been committed in his presence, except that a violation of KRS 189A.010 or KRS 281A.210 need not be committed in his presence in order to make an arrest without a warrant if the officer has probable cause to believe that the person has violated KRS 189A.010 or KRS 281A.210.

(2) (a) Any peace officer may arrest a person without warrant when the peace officer has probable cause to believe that the person has intentionally or wantonly caused physical injury to a family member or member of an unmarried couple.

(b) For the purposes of this subsection, the term "family member" means a spouse, including a former spouse, a parent, a grandparent, a child, a stepchild, or any other person related by consanguinity or affinity within the second degree.

(c) For the purpose of this subsection, the term "member of an unmarried couple" means each member of an unmarried couple which allegedly has a child in common, any children of that couple, or a member of an unmarried couple who are living together or have formerly lived together.

(3) For purposes of subsection (2) of this section, a "peace officer" is:

(a) A full-time sworn officer of the Kentucky State Police, a full-time sworn officer of the Kentucky Horse Park, a commissioned full-time state park ranger, a full-time officer of the Division of Law Enforcement within the Department of Fish and Wildlife Resources who is exercising authority under KRS Chapter 235, a full-time city policeman, a full-time county policeman, a full-time university safety and security officer appointed pursuant to KRS 164.950 to 164.970, a full-time city-county policeman, a duly elected sheriff, or a full-time paid deputy sheriff; or

(b) A part-time paid law enforcement officer, or a special paid deputy, who has completed a Kentucky law enforcement council approved education and training program referred to in KRS 403.784.

(c) The provisions of this section relating to training shall not apply to a deputy sheriff who is subject to the training requirements specified in KRS 70.263(3).

(4) If a law enforcement officer has probable cause to believe that a person has violated a condition of release imposed in

accordance with KRS 431.064 and verifies that the alleged violator has notice of the conditions, the officer shall, without a warrant, arrest the alleged violator whether the violation was committed in or outside the presence of the officer.

(5) A private person may make an arrest when a felony has been committed in fact and he has probable cause to believe that the person being arrested has committed it.

(6) If a law enforcement officer has probable cause to believe that a person has violated a permanent restraining order issued under Section 2 of this Act, then the officer shall, without a warrant, arrest the alleged violator whether the violation was committed in or outside the presence of the officer.

The Committee Substitute to **HB 428** is as follows:

HB 428, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 508.130 is amended to read as follows:

As used in KRS 508.130 to 508.150, unless the context requires otherwise:

(1) (a) To "stalk" means to engage in an intentional course of conduct:
  1. Directed at a specific person or persons;
  2. Which seriously alarms, annoys, intimidates, or harasses the person or persons; and
  3. Which serves no legitimate purpose.

(b) The course of conduct shall be that which would cause a reasonable person to suffer substantial mental distress.

(2) "Course of conduct" means a pattern of conduct composed of two (2) or more acts, evidencing a continuity of purpose. Constitutionally protected activity is not included within the meaning of "course of conduct." If the defendant claims that he was engaged in constitutionally protected activity, the court shall determine the validity of that claim as a matter of law and, if found valid, shall exclude that activity from evidence.

(3) "Protective order" means:

(a) An emergency protective order or domestic violence order issued under KRS 403.715 to 403.785;

(b) A foreign protective order, as defined in KRS 403.7521(1);

(c) An order issued under KRS 431.064;~~[and]~~

(d) *A restraining order issued in accordance with Section 2 of this Act; and*

(e) Any condition of a bond, conditional release, probation, parole, or pretrial diversion order designed to protect the victim from the offender.

SECTION 2. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A verdict of guilty or a plea of guilty to KRS 508.140 or 508.150 shall operate as an application for a restraining order limiting the contact of the defendant and the victim who was stalked, unless the victim requests otherwise.

(2) The court shall give the defendant notice of his or her right to request a hearing on the application for a restraining order. If the defendant waives his or her right to a hearing on this matter, then the court may issue the restraining order without a hearing.

(3) If the defendant requests a hearing, it shall be held at the time of the verdict or plea of guilty, unless the victim or defendant requests otherwise. The hearing shall be held in the court where the verdict or plea of guilty was entered.

(4) A restraining order may grant the following specific relief:

(a) An order restraining the defendant from entering the residence, property, school, or place of employment of the victim; or

(b) An order restraining the defendant from making contact with the victim, including an order forbidding the defendant from personally, or through an agent, initiating any communication likely to cause serious alarm, annoyance, intimidation, or harassment including, but not limited to, personal, written, telephonic, or any other form of written or electronic communication or contact with the victim. An order issued pursuant to this subsection relating to a school, place of business, or similar nonresidential location shall be sufficiently limited to protect the stalking victim but shall also protect the defendant's right to employment, education, or the right to do legitimate business with the employer of a stalking victim as long as the defendant does not have contact with the stalking victim.

(5) A restraining order issued pursuant to this section shall be valid for a period of not more than ten (10) years, the specific duration of which shall be determined by the court. Any restraining order shall be based upon the seriousness of the facts before the court, the probability of future violations, and the safety of the victim and his or her immediate family.

(6) Unless the defendant has been convicted of a felony, or is otherwise ineligible to purchase or possess a firearm under federal law, a restraining order issued pursuant to this section shall not operate as a ban on the purchase or possession

of firearms or ammunition by the defendant.

(7) The restraining order shall be issued on a form prescribed by the Administrative Office of the Courts and may be lifted upon application of the stalking victim to the court which granted the order.

(8) The circuit clerk shall, within twenty-four (24) hours, enter a restraining order into the Law Information Network of Kentucky, and shall, within twenty-four (24) hours of a removal of an order, accordingly update the Law Information Network of Kentucky.

(9) A restraining order issued under this section shall be enforced in any county of the Commonwealth. Law enforcement officers acting in good faith in enforcing a restraining order shall be immune from criminal and civil liability.

(10) A violation by the defendant of an order issued pursuant to this section shall be a Class A misdemeanor. Nothing in this section shall preclude the filing of a criminal complaint for stalking based on the same act which is the basis for the violation of the restraining order.

Section 3. KRS 431.005 is amended to read as follows:

(1) A peace officer may make an arrest:

- (a) In obedience to a warrant; or
- (b) Without a warrant when a felony is committed in his presence; or
- (c) Without a warrant when he has probable cause to believe that the person being arrested has committed a felony; or
- (d) Without a warrant when a misdemeanor, as defined in KRS 431.060, has been committed in his presence; or
- (e) Without a warrant when a violation of KRS 189.290, 189.393, 189.520, 189.580, 511.080, or 525.070 has been committed in his presence, except that a violation of KRS 189A.010 or KRS 281A.210 need not be committed in his presence in order to make an arrest without a warrant if the officer has probable cause to believe that the person has violated KRS 189A.010 or KRS 281A.210.

(2) (a) Any peace officer may arrest a person without warrant when the peace officer has probable cause to believe that the person has intentionally or wantonly caused physical injury to a family member or member of an unmarried couple.

- (b) For the purposes of this subsection, the term "family member" means a spouse, including a former spouse, a parent, a grandparent, a child, a stepchild, or any other person related by consanguinity or affinity within the second degree.
- (c) For the purpose of this subsection, the term "member of an unmarried couple" means each member of an unmarried couple which allegedly has a child in common, any children of that couple, or a member of an unmarried couple who are living together or have formerly lived together.

(3) For purposes of subsection (2) of this section, a "peace officer" is:

- (a) A full-time sworn officer of the Kentucky State Police, a full-time sworn officer of the Kentucky Horse Park, a commissioned full-time state park ranger, a full-time officer of the Division of Law Enforcement within the Department of Fish and Wildlife Resources who is exercising authority under KRS Chapter 235, a full-time city policeman, a full-time county policeman, a full-time university safety and security officer appointed pursuant to KRS 164.950 to 164.970, a full-time city-county policeman, a duly elected sheriff, or a full-time paid deputy sheriff; or
- (b) A part-time paid law enforcement officer, or a special paid deputy, who has completed a Kentucky law enforcement council approved education and training program referred to in KRS 403.784.
- (c) The provisions of this section relating to training shall not apply to a deputy sheriff who is subject to the training requirements specified in KRS 70.263(3).

(4) If a law enforcement officer has probable cause to believe that a person has violated a condition of release imposed in accordance with KRS 431.064 and verifies that the alleged violator has notice of the conditions, the officer shall, without a warrant, arrest the alleged violator whether the violation was committed in or outside the presence of the officer.

(5) A private person may make an arrest when a felony has been committed in fact and he has probable cause to believe that the person being arrested has committed it.

(6) If a law enforcement officer has probable cause to believe that a person has violated a restraining order issued under Section 2 of this Act, then the officer shall, without a warrant, arrest the alleged violator whether the violation was committed in or outside the presence of the officer.

HB 451, AN ACT relating to domestic relations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 402.050 is amended to read as follows:

(1) Marriage shall be solemnized only by:

- (a) Ministers of the gospel or priests of any denomination in regular communion with any religious society;

(b) Justices and judges of the Court of Justice, retired justices and judges of the Court of Justice except those removed for cause or convicted of a felony, county judges/executive,~~[and such]~~ justices of the peace*,* and ***also those*** fiscal court commissioners as the Governor or the county judge/executive authorizes; or

(c) A religious society that has no officiating minister or priest and whose usage is to solemnize marriage at the usual place of worship and by consent given in the presence of the society, if either party belongs to the society.

(2) At least two (2) persons, in addition to the parties and the person solemnizing the marriage, shall be present at every marriage.

HB 523, AN ACT relating to vital records.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 199.570 is amended to read as follows:

(1) The files and records of the court during adoption proceedings shall not be open to inspection by persons other than parties to the proceedings, their attorneys, and representatives of the cabinet except under order of the court expressly permitting inspection. Upon the entry of the final order in the case, the clerk shall place all papers and records in the case in a suitable envelope which shall be sealed and shall not be open for inspection by any person except on written order of the court, except that upon the written consent of the biological parents and upon written order of the Circuit Court all papers and records including all files and records of the Circuit Court during proceedings for termination of parental rights provided in KRS 625.108 shall be open for inspection to any adult adopted person who applies in person or in writing to the Circuit Court as provided in KRS 199.572. No person having charge of any adoption records shall disclose the names of any parties appearing in such records or furnish any copy of any such records, except upon order of the court which entered the judgment of adoption. Health information received pursuant to KRS 199.525 shall be added to the adoption case file. The clerk of the Circuit Court shall set up a separate docket and order book for adoption cases and these files and records shall be kept locked.

(2) After entry of the adoption judgment, the clerk of the Circuit Court shall promptly report to the Cabinet for Health Services of Kentucky full information as called for on forms furnished by the Cabinet for Health Services, necessary to make a new birth certificate conforming to the standard birth certificate form. Upon receipt of this information, the Cabinet for Health Services shall cause to be made a new record of the birth and it shall be filed with the original certificate, and the original certificate shall be stamped with the words, "CONFIDENTIAL -- subject to copy and/or inspection only on written order of the court."

(3) The new certificate shall set forth the new name, if any, of the adopted child, the names of the adoptive parents, and such other information deemed necessary in accordance with rules and regulations promulgated by the Cabinet for Health Services in issuing of birth certificates. If the adopted child is under eighteen (18) years of age, the birth certificate shall not contain any information revealing the child is adopted and shall show the adoptive parent or parents as the biological parent or parents of the child. If requested by the adoptive parents, the new birth certificate when issued shall contain the location of birth, hospital, and name of doctor or midwife. This information should be given only by an order of the court in which the child was adopted. The new birth certificate shall recite the residence of the adoptive parents as the birthplace of the child and this shall be deemed for all legal purposes to be the birthplace of the child. If no birth certificate is on file for a child born in Kentucky, the Cabinet for Health Services shall prepare a certificate of birth in accordance with the information furnished the cabinet by the clerk of the Circuit Court which issued the adoption order. The Cabinet for Health Services shall furnish to the clerks of the Circuit Courts the necessary forms to carry out the provisions of this section. If the child was born in another state, the order of adoption shall be forwarded to the division of vital statistics of the state concerned to be changed in accordance with the laws of such state. If the child was born in a foreign country, the report of adoption shall be returned to the attorney or agency handling the adoption for submission to the appropriate federal agency.

(4) Thereafter when any copy of the certificate of birth of any child is issued it shall be a copy of the new certificate of birth, except ***as provided in paragraphs (a) and (b) of this subsection.***

(a) The state registrar of vital statistics shall issue to an adopted person born in the Commonwealth of Kentucky a copy of that person's original certificate of birth when that person:

1. Submits an application for a copy of the original certificate of birth to the state registrar under KRS 213.136; and

2. At the time of the application is twenty-one (21) years of age or older.

(b) The state registrar of vital statistics shall issue a copy of the original certificate of birth when an order of the court granting the judgment of adoption ***requests***~~[shall request the]~~ issuance of ***a***~~[the]~~ copy of the original certificate of the child's birth.

(5) If any judgment of adoption is reversed, modified, or vacated in any particular, the clerk of the Circuit Court shall notify the Cabinet for Health Services of the reversal or modification and the effect of same, and the cabinet shall make any necessary changes in its records.

Section 2. KRS 213.011 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Cabinet" means the Cabinet for Health Services;

(2) "Dead body" means a human body or parts of the human body from the condition of which it reasonably may be concluded that death recently occurred;

(3) "Fetal death" means death prior to the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy; the death is indicated by the fact that after such expulsion or extraction the fetus does not breathe or show any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles. This definition shall exclude induced termination of pregnancy;

(4) "File" means the presentation of a vital record provided for in this chapter for registration by the Office of Vital Statistics;

(5) "Final disposition" means the burial, interment, cremation, removal from the Commonwealth, or other authorized disposition of a dead body or fetus;

(6) "Induced termination of pregnancy" means the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus and which does not result in a live birth. This definition shall exclude management of prolonged retention of product of conception following fetal death;

(7) "Institution" means any establishment, public or private, which provides inpatient medical, surgical, or diagnostic care or treatment or nursing, custodial, or domiciliary care, or to which persons are committed by law;

(8) "Live birth" means the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy which, after the expulsion or extraction, breathes, or shows any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached;

(9) "Provisional death certificate" means an interim certificate identifying the deceased and authorizing a funeral director, or person acting as such, to take custody of the body and, except for cremation, to make final disposition;

(10) "Registration" means the acceptance by the Office of Vital Statistics and the incorporation of vital records provided for in this chapter into its official records;

(11) "System of vital statistics" means the registration, collection, preservation, amendment, and certification of vital records and the collection of other reports required by this chapter;

(12) "Secretary" means the secretary for health services;

(13) "Sudden infant death syndrome" means the death of an ostensibly healthy child who is two (2) weeks of age or older but less than three (3) years of age, which occurs suddenly and unexpectedly, with no known or apparent cause, and which remains unexplained after the performance of an autopsy;

(14) "Vital records" means certificates or reports of birth, death, fetal death, marriage, dissolution of marriage, or annulment, and data related thereto;

(15) "Vital statistics" means the data derived from certificates and reports of birth, death, fetal death, induced termination of pregnancy, marriage, dissolution of marriage, and related reports;

(16) "Certificate" means the certificate of birth, death, fetal death, marriage, dissolution of marriage, or annulment as required by this chapter;

(17) "Commission" means the Commission for Children with Special Health Care Needs;

(18) "Hard of hearing infant" means a child at birth with a significant hearing loss which prevents the acquisition of speech and language through normal channels;[~~and~~]

(19) "Hearing risk certificate" means the certificate that includes questions which identify newborn babies with a higher risk than normal for hearing loss***; and***

(20) "Authorized representative" means any of the following individuals acting on behalf of the registrant or his or her spouse, children, parents, or guardian:

(a) Attorney;

(b) Physician;

(c) Funeral director;

(d) Individual with power of attorney;

(e) Individual acting in a fiduciary capacity, including an executor, administrator, conservator, or trustee; and

(f) Any other individual deemed appropriate by the registrant.

Section 3. KRS 213.041 is amended to read as follows:

(1) In order to promote and maintain nationwide uniformity in the system of vital statistics, the forms of certificates and reports required by this chapter, or by administrative regulations adopted hereunder, shall include, as a minimum, the items recommended by the federal agency responsible for national vital statistics.

(2) Each certificate, report, and other documents required by this chapter shall be~~[on a form or]~~ in a ***uniform*** format prescribed by the cabinet with due consideration for national uniformity. All certificates shall be typewritten with the exception of required signatures which shall be written legibly in unfading black ink. ***All certified copies shall have security features that deter the document from being altered, counterfeited, duplicated, or simulated without ready detection.***

(3) All forms and procedures used in the issuance of certified copies of vital records shall be uniform and provided by or approved by the State Registrar.

(4)~~[(3)]~~ No certificate shall be held to be complete and correct that does not supply all items of information called for therein or satisfactorily account for their omission, except as provided in KRS 199.570(3). If a certificate is incomplete, the local registrar shall immediately notify the responsible person and require that person to supply the missing items, if that information can be obtained.

(5)~~[(4)]~~ All vital records shall contain the data required for registration.

(6)~~[(5)]~~ No person shall charge or collect from any member of a family in which a birth or death occurs, any fee for completing and filing a report, or any other act or duty imposed upon them by this chapter.

Section 4. KRS 213.071 is amended to read as follows:

(1) The state registrar shall establish a new certificate of birth for a person born in the Commonwealth when the state registrar receives the following:

(a) A report of adoption as provided in KRS 213.066 or a report of adoption prepared and filed in accordance with the laws of another state or foreign country or a certified copy of the decree of adoption, together with the information necessary to identify the original certificate of birth and to establish a new certificate of birth; or

(b) A request that a new certificate be established as prescribed by administrative regulation and the evidence as required by administrative regulation proving that the person has been legitimated, or that a court of competent jurisdiction has determined the paternity of the person, or that both parents have acknowledged the paternity of the person in which case the surname of the child shall be changed in accordance with KRS 213.046.

(2) If paternity is determined in a court action, the clerk shall report the findings of the court to the state registrar on forms prescribed and furnished for that purpose. The reports shall be made no later than the fifteenth of the month following the date of the order.

(3) If a new certificate is established, the actual place and date of birth shall be shown except in the case of adoption. If the adopted child is under eighteen (18) years of age, the birth certificate shall not contain any information revealing the child is adopted and shall show the adoptive parent or parents as the natural parent or parents of the child. The new birth certificate, when issued, shall not contain the place of birth, hospital, or name of the doctor or midwife. This information shall be given only by an order of the court in which the child was adopted. If the child was born in the Commonwealth, the new birth certificate shall show the residence of the adoptive parents as the birthplace of the child, and this shall be deemed for all legal purposes to be the birthplace of the child.

(4) The new certificate shall be substituted for the original certificate of birth in the files, and the original certificate of birth and the evidence of adoption, paternity determination, or paternity acknowledgment shall not be subject to inspection except ***under subsection (4)(a) of Section 1 of this Act or*** upon order of a court of competent jurisdiction.

(5) If any judgment under this section is reversed, amended, modified, or vacated in any particular, the clerk of the court shall notify the state registrar of the reversal or modification, and the state registrar shall make the changes, if any, in the records as may be necessary by the reversal or modification, or if the voluntary acknowledgment of paternity pursuant to KRS 213.046(4) is rescinded, the state registrar shall make the changes, if any, in the records as may be necessary by the reversal, modification, or rescission of the voluntary acknowledgment of paternity.

(6) If a new certificate of birth is established by the state registrar, all copies of the original certificate of birth on file in the local health department shall be sealed and forwarded to the state registrar as the state registrar shall direct.

(7) If no birth certificate is on file for an adopted child born in Kentucky, the state registrar shall prepare a certificate of birth in accordance with information furnished by the clerk of the Circuit Court which issued the adoption order. The state registrar shall furnish the clerks of the Circuit Courts the necessary forms to carry out the provisions of this section.

Section 5. KRS 213.131 is amended to read as follows:

(1) To protect the integrity of vital records, to insure their proper use, and to insure the efficient and proper administration of the system of vital statistics, it shall be unlawful for any person to permit inspection of, or to disclose information contained in vital records or to copy or issue a copy of all or part of any record except as authorized by this chapter, by regulation, or by order of a court of competent jurisdiction. Administrative regulations adopted by the cabinet shall provide for adequate standards of security and confidentiality of vital records and shall conform to subsection (4) of this section.

(2) The state registrar shall ***not permit inspection of, or disclose information contained in, vital records, or copy, or issue a copy of all or part of the record unless the registrar is satisfied that the applicant is authorized to obtain the copy or abstract of the record***~~[prepare annually an alphabetical list of all persons registered as born in the preceding year. The list~~

~~shall show the person's name, the mother's maiden name, and the date and county of birth. This list shall be an open record subject to inspection by the public upon request]~~.

(3) *A family member doing genealogical research and a genealogist representing a family member may obtain copies of vital records needed for their research. Unless the registrant is deceased, appropriate authorization shall be required from the registrant, family member, or authorized representative for the release of the vital record*~~[The state registrar shall prepare annually an alphabetical list of all persons registered who die in the Commonwealth. This list shall show the name of the deceased and the date and county of death and shall be an open record subject to inspection by the public upon request]~~.

(4) The *state registrar shall permit members of the media to inspect information contained in vital records upon request.*

(5) The state registrar shall permit inspection of, or disclose information contained in, vital records, or copy, or issue a copy of all or part of the record to the registrant, his or her spouse, children, parents, or guardian, or any of their respective authorized representatives.

(6) The natural parents of adopted children, when neither has custody, and commercial firms or agencies requesting listings of names and addresses, shall not be authorized to obtain copies or abstracts of the vital record.

(7) Cabinet for Health Services may authorize by regulation the disclosure of information contained in vital records for research and official administrative purposes, if:

(a) All information identifying persons named on the certificate is withheld or removed;

(b) The information is requested by a federal, state, county, or municipal agency of government which needs the data or information in the conduct of official duties; or

(c) The cabinet has prepared, in writing, a statement of the conditions under which the data or records will be used and received an agreement signed by a responsible agent of the research organization agreeing to meet with and conform to the conditions.

(8)~~[(5)]~~ If one hundred (100) years have elapsed after the date of birth, or fifty (50) years have elapsed after the date of death, the records of these events in the custody of the state registrar shall become public records and information shall be made available in accordance with regulations which shall provide for continued safekeeping of the records.

Section 6. KRS 213.136 is amended to read as follows:

(1) The state registrar shall upon receipt of an application issue a certified copy of a vital record in the registrar's custody or a part thereof to *a registrant, his or her spouse, children, parents, or guardian, or their respective authorized representative. Other persons may be authorized to obtain certified copies if they demonstrate that the record is needed for the determination or protection of their personal or property right. The cabinet may promulgate administrative regulations to further define other persons who may obtain copies of vital records*~~[any applicant]~~. Each copy issued shall show the date of registration and copies issued from records marked "delayed" or "amended" shall be similarly marked and show the effective date. The documentary evidence used to establish a delayed certificate shall be shown on all copies issued. All forms and procedures used in the issuance of certified copies of vital records in the Commonwealth shall be provided or approved by the state registrar.

(2) *A certified copy or other copy of a death certificate containing the cause of death information shall not be issued, except as follows:*

(a) Upon specific request of the spouse, children, parents, or other next of kin of the decedent or their respective authorized representative;

(b) When a documented need for the cause of death to establish a legal right or claim has been demonstrated;

(c) When the request for the copy is made by or on behalf of an organization that provides benefits to the decedent's survivors or beneficiaries;

(d) Upon specific request by local, state, or federal agencies for research or administrative purposes approved by the cabinet;

(e) When needed for research activities approved by the cabinet; or

(f) Upon receipt of an order from a court of competent jurisdiction ordering the release.

(3) A certified copy of a vital record or any part thereof, issued in accordance with subsection (1) of this section, shall be considered for all purposes the same as the original and shall be prima facie evidence of the facts stated therein. The evidentiary value of a certificate or record which has been amended shall be determined by the judicial or administrative body, or official before which the certificate is offered as evidence.

(4)~~[(3)]~~ The federal agency responsible for national vital statistics may be furnished copies or data from the system of vital statistics for national statistics, if the federal agency shares in the cost of collecting, processing, and transmitting the data, and if the data is not used for other than statistical purposes by the federal agency unless so authorized by the cabinet.

(5)~~[(4)]~~ Federal, state, local, and other public or private agencies may, upon request, be furnished copies or data from the system of vital statistics for statistical or administrative purposes upon terms or conditions as may be prescribed by regulation if the copies or data are not used for purposes other than those for which they were requested without prior

permission of the cabinet. No information other than statistical data shall be provided for commercial purposes.

(6)[~~(5)~~] The cabinet may, by agreement, transmit copies of records and other reports required by this chapter to offices of vital statistics outside the Commonwealth when the records or other reports relate to residents of those jurisdictions or persons born in those jurisdictions. The agreement shall require that the copies be used for statistical and administrative purposes only and the agreement shall further provide for the retention and disposition of the copies. Copies received by the Office of Vital Statistics from offices of vital statistics in other states shall be handled in the same manner as prescribed in this section.

(7)[~~(6)~~] No person shall prepare or issue any certificate which purports to be an original, certified copy, or copy of a vital record except as authorized in this section or regulation adopted hereunder.

The Committee Substitute to **HB 523** is as follows:

HB 523, AN ACT relating to vital records.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 213.011 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Cabinet" means the Cabinet for Health Services;

(2) "Dead body" means a human body or parts of the human body from the condition of which it reasonably may be concluded that death recently occurred;

(3) "Fetal death" means death prior to the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy; the death is indicated by the fact that after such expulsion or extraction the fetus does not breathe or show any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles. This definition shall exclude induced termination of pregnancy;

(4) "File" means the presentation of a vital record provided for in this chapter for registration by the Office of Vital Statistics;

(5) "Final disposition" means the burial, interment, cremation, removal from the Commonwealth, or other authorized disposition of a dead body or fetus;

(6) "Induced termination of pregnancy" means the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus and which does not result in a live birth. This definition shall exclude management of prolonged retention of product of conception following fetal death;

(7) "Institution" means any establishment, public or private, which provides inpatient medical, surgical, or diagnostic care or treatment or nursing, custodial, or domiciliary care, or to which persons are committed by law;

(8) "Live birth" means the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy which, after the expulsion or extraction, breathes, or shows any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached;

(9) "Provisional death certificate" means an interim certificate identifying the deceased and authorizing a funeral director, or person acting as such, to take custody of the body and, except for cremation, to make final disposition;

(10) "Registration" means the acceptance by the Office of Vital Statistics and the incorporation of vital records provided for in this chapter into its official records;

(11) "System of vital statistics" means the registration, collection, preservation, amendment, and certification of vital records and the collection of other reports required by this chapter;

(12) "Secretary" means the secretary for health services;

(13) "Sudden infant death syndrome" means the death of an ostensibly healthy child who is two (2) weeks of age or older but less than three (3) years of age, which occurs suddenly and unexpectedly, with no known or apparent cause, and which remains unexplained after the performance of an autopsy;

(14) "Vital records" means certificates or reports of birth, death, fetal death, marriage, dissolution of marriage, or annulment, and data related thereto;

(15) "Vital statistics" means the data derived from certificates and reports of birth, death, fetal death, induced termination of pregnancy, marriage, dissolution of marriage, and related reports;

(16) "Certificate" means the certificate of birth, death, fetal death, marriage, dissolution of marriage, or annulment as required by this chapter;

(17) "Commission" means the Commission for Children with Special Health Care Needs;

(18) "Hard of hearing infant" means a child at birth with a significant hearing loss which prevents the acquisition of speech and language through normal channels;[~~ and~~]

(19) "Hearing risk certificate" means the certificate that includes questions which identify newborn babies with a higher risk

than normal for hearing loss***; and***

(20) "Authorized representative" means any of the following individuals acting on behalf of the registrant or his or her spouse, children, parents, or guardian:

(a) Attorney;

(b) Physician;

(c) Funeral director;

(d) Individual with power of attorney;

(e) Individual acting in a fiduciary capacity, including an executor, administrator, conservator, or trustee; and

(f) Any other individual deemed appropriate by the registrant.

Section 2. KRS 213.041 is amended to read as follows:

(1) In order to promote and maintain nationwide uniformity in the system of vital statistics, the forms of certificates and reports required by this chapter, or by administrative regulations adopted hereunder, shall include, as a minimum, the items recommended by the federal agency responsible for national vital statistics.

(2) Each certificate, report, and other documents required by this chapter shall be[~~ on a form or~~] in a ***uniform*** format prescribed by the cabinet with due consideration for national uniformity. All certificates shall be typewritten with the exception of required signatures which shall be written legibly in unfading black ink. ***All certified copies shall have security features that deter the document from being altered, counterfeited, duplicated, or simulated without ready detection.***

(3) All forms and procedures used in the issuance of certified copies of vital records shall be uniform and provided by or approved by the State Registrar.

(4)[~~(3)~~] No certificate shall be held to be complete and correct that does not supply all items of information called for therein or satisfactorily account for their omission, except as provided in KRS 199.570(3). If a certificate is incomplete, the local registrar shall immediately notify the responsible person and require that person to supply the missing items, if that information can be obtained.

(5)[~~(4)~~] All vital records shall contain the data required for registration.

(6)[~~(5)~~] No person shall charge or collect from any member of a family in which a birth or death occurs, any fee for completing and filing a report, or any other act or duty imposed upon them by this chapter.

Section 3. KRS 213.131 is amended to read as follows:

(1) To protect the integrity of vital records, to insure their proper use, and to insure the efficient and proper administration of the system of vital statistics, it shall be unlawful for any person to permit inspection of, or to disclose information contained in vital records or to copy or issue a copy of all or part of any record except as authorized by this chapter, by regulation, or by order of a court of competent jurisdiction. Administrative regulations adopted by the cabinet shall provide for adequate standards of security and confidentiality of vital records and shall conform to subsection (4) of this section.

(2) The state registrar shall ***not permit inspection of, or disclose information contained in, vital records, or copy or issue a copy of all or part of the record unless the registrar is satisfied that the applicant is authorized to obtain the copy or abstract of the record***[~~prepare annually an alphabetical list of all persons registered as born in the preceding year. The list shall show the person's name, the mother's maiden name, and the date and county of birth. This list shall be an open record subject to inspection by the public upon request~~].

(3) ***A family member doing genealogical research and a genealogist representing a family member may obtain copies of vital records needed, other than an original birth certificate of an adopted person, for their research. Unless the registrant is deceased, appropriate authorization shall be required from the registrant, family member, or authorized representative for the release of the vital record***[~~The state registrar shall prepare annually an alphabetical list of all persons registered who die in the Commonwealth. This list shall show the name of the deceased and the date and county of death and shall be an open record subject to inspection by the public upon request~~].

(4) The ***state registrar shall permit members of the media to inspect information contained in vital records upon request.***

(5) The state registrar shall permit inspection of, or disclose information contained in, vital records, other than an original birth certificate of an adopted person, or copy or issue a copy of all or part of the record to the registrant, his or her spouse, children, parents, or guardian, or any of their respective authorized representatives.

(6) The biological parents of adopted children, when neither has custody, and commercial firms or agencies requesting listings of names and addresses, shall not be authorized to obtain copies or abstracts of the vital record.

(7) Cabinet for Health Services may authorize by regulation the disclosure of information contained in vital records for research and official administrative purposes, if:

(a) All information identifying persons named on the certificate is withheld or removed;

(b) The information is requested by a federal, state, county, or municipal agency of government which needs the data or information in the conduct of official duties; or

(c) The cabinet has prepared, in writing, a statement of the conditions under which the data or records will be used and received an agreement signed by a responsible agent of the research organization agreeing to meet with and conform to the conditions.

(8)[~~(5)~~] If one hundred (100) years have elapsed after the date of birth, or fifty (50) years have elapsed after the date of death, the records of these events in the custody of the state registrar shall become public records and information shall be made available in accordance with regulations which shall provide for continued safekeeping of the records.

Section 4. KRS 213.136 is amended to read as follows:

(1) The state registrar shall upon receipt of an application issue a certified copy of a vital record*, other than an original birth certificate of an adopted person,* in the registrar's custody or a part thereof to *a registrant, his or her spouse, children, parents, or guardian, or their respective authorized representative. Other persons may be authorized to obtain certified copies if they demonstrate that the record is needed for the determination or protection of their personal or property right. The cabinet may promulgate administrative regulations to further define other persons who may obtain copies of vital records*[~~any applicant~~]. Each copy issued shall show the date of registration and copies issued from records marked "delayed" or "amended" shall be similarly marked and show the effective date. The documentary evidence used to establish a delayed certificate shall be shown on all copies issued. All forms and procedures used in the issuance of certified copies of vital records in the Commonwealth shall be provided or approved by the state registrar.

(2) *A certified copy or other copy of a death certificate containing the cause of death information shall not be issued, except as follows:*

(a) Upon specific request of the spouse, children, parents, or other next of kin of the decedent or their respective authorized representative;

(b) When a documented need for the cause of death to establish a legal right or claim has been demonstrated;

(c) When the request for the copy is made by or on behalf of an organization that provides benefits to the decedent's survivors or beneficiaries;

(d) Upon specific request by local, state, or federal agencies for research or administrative purposes approved by the cabinet;

(e) When needed for research activities approved by the cabinet; or

(f) Upon receipt of an order from a court of competent jurisdiction ordering the release.

(3) A certified copy of a vital record or any part thereof, issued in accordance with subsection (1) of this section, shall be considered for all purposes the same as the original and shall be prima facie evidence of the facts stated therein. The evidentiary value of a certificate or record which has been amended shall be determined by the judicial or administrative body, or official before which the certificate is offered as evidence.

(4)[~~(3)~~] The federal agency responsible for national vital statistics may be furnished copies or data from the system of vital statistics for national statistics, if the federal agency shares in the cost of collecting, processing, and transmitting the data, and if the data is not used for other than statistical purposes by the federal agency unless so authorized by the cabinet.

(5)[~~(4)~~] Federal, state, local, and other public or private agencies may, upon request, be furnished copies or data from the system of vital statistics for statistical or administrative purposes upon terms or conditions as may be prescribed by regulation if the copies or data are not used for purposes other than those for which they were requested without prior permission of the cabinet. No information other than statistical data shall be provided for commercial purposes.

(6)[~~(5)~~] The cabinet may, by agreement, transmit copies of records and other reports required by this chapter to offices of vital statistics outside the Commonwealth when the records or other reports relate to residents of those jurisdictions or persons born in those jurisdictions. The agreement shall require that the copies be used for statistical and administrative purposes only and the agreement shall further provide for the retention and disposition of the copies. Copies received by the Office of Vital Statistics from offices of vital statistics in other states shall be handled in the same manner as prescribed in this section.

(7)[~~(6)~~] No person shall prepare or issue any certificate which purports to be an original, certified copy, or copy of a vital record except as authorized in this section or regulation adopted hereunder.

The Committee Amendment No. 1 Title to **HB 523** is as follows:

On page 1, the title, to delete the title appearing thereon and to inset in lieu there of "AN ACT relating to the security of vital records."

HB 560, AN ACT relating to concealed deadly weapon licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 237.110 is amended to read as follows:

(1) The Department of State Police is authorized to issue licenses to carry concealed firearms or other deadly weapons to persons qualified as provided in this section. The Department of State Police or the Administrative Office of the Courts shall conduct a record check, covering all offenses and conditions which are required under 18 U.S.C. sec. 922(g) and this section, in the manner provided by 18 U.S.C. sec. 922(s). Licenses shall be valid throughout the state for a period of five (5) years from the date of issuance. Any person in compliance with the terms of the license may carry a concealed firearm or other deadly weapon or combination of firearms and other deadly weapons on or about his person. The licensee shall carry the license at all times the licensee is carrying a concealed firearm or other deadly weapon and shall display the license upon request of a law enforcement officer. Violation of the provisions of this subsection shall constitute a noncriminal violation with a penalty of twenty-five dollars ($25), payable to the clerk of the District Court.

(2) The Department of State Police, following the record check required by subsection (1) of this section, shall issue a license if the applicant:

(a) Is a resident of the state and has been a resident for six (6) months or longer immediately preceding the filing of the application;

(b) Is twenty-one (21) years of age or older;

(c) Is not ineligible to possess a firearm pursuant to 18 U.S.C. sec. 922(d)(1) or (g) or KRS 527.040;

(d) Has not been committed to a state or federal facility for the abuse of a controlled substance or been convicted of a misdemeanor violation of KRS Chapter 218A or similar laws of any other state relating to controlled substances within a three (3) year period immediately preceding the date on which the application is submitted;

(e) Does not chronically and habitually use alcoholic beverages as evidenced by the applicant having two (2) or more convictions for violating KRS 189A.010 within the three (3) years immediately preceding his application or if the applicant has been committed as an alcoholic pursuant to KRS Chapter 222, or similar laws of any other state, within the three (3) year period immediately preceding the date on which the application is submitted;

(f) Demonstrates competence with a firearm by any one (1) of the following:

1. Completion, prior to, on, or after October 1, 1996, of any hunter education and firearms safety course approved by the Department of Fish and Wildlife or a similar agency of another state. The Department of Fish and Wildlife may impose additional qualifications by promulgation of administrative regulations to meet the requirements of this section and may establish fees as may be required, so as to avoid a diversion of fish and game funds as specified in 50 C.F.R. Part 80. Any fee assessed shall be reasonable and shall not exceed the actual cost of administering the program;
2. Completion, prior to, on, or after October 1, 1996, of any law enforcement firearms safety or training course or class offered for special local peace officers or special law enforcement officers conducted or approved by the Department of Criminal Justice Training;
3. Completion, prior to, on, or after October 1, 1996, of any firearm safety or training course or class available to the general public offered by law enforcement, junior college, college, or private or public institution or organization or firearms training school, utilizing instructors certified by the Department of Criminal Justice Training; or
4. Completion, prior to, on, or after October 1, 1996, of any firearms training or safety course or class conducted by a state-certified firearms instructor or an instructor holding a certification as a firearms instructor issued by a state or federal agency.

Classes presented pursuant to this paragraph shall include instruction on handguns, the safe use of handguns, the care and cleaning of handguns, handgun marksmanship principles, and actual range firing of a handgun in a safe manner. Classes presented pursuant to this paragraph shall include information on laws relating to firearms as described in KRS Chapters 237 and 527 and the law of the use of force as described in KRS Chapter 503. The Department of Criminal Justice Training, Department of State Police, and any other state agency with the authority to certify firearms instructors, shall promulgate uniform administrative regulations concerning the certification and decertification of all firearms instructors practicing in the Commonwealth of Kentucky. Notwithstanding any other provision of the Kentucky Revised Statutes, no person shall qualify as having demonstrated competence with a firearm pursuant to this subsection, unless certified by a governmental agency of the Commonwealth of Kentucky, or of the federal government. The Administrative Office of the Courts shall publish and make available, at no cost, information in a manner suitable for distribution to class participants. A legible photocopy of a certificate of completion of any of the courses or classes or a notarized affidavit from the instructor, school, club, organization, or group that conducts or teaches the course or class attesting to the completion of the course or class by the applicant shall constitute evidence of qualification under this paragraph. Peace officers who are retired and are members of the Kentucky Employees Retirement System, State Police Retirement System, or County Employees Retirement System or other retirement system operated by or for a city, county, or urban-county in Kentucky shall be deemed to have met the training requirement;

(g) Has not been adjudicated an incompetent under KRS Chapter 202B or has waited three (3) years from the date his competency was restored by the court order under KRS Chapter 202B; and

(h) Has not been involuntarily committed to a mental institution pursuant to KRS Chapter 202A, unless he possesses a certificate from a psychiatrist licensed in this state that he has not suffered from disability for a period of three (3) years.

(3) The Department of State Police may deny a license if the applicant has been found guilty of a violation of KRS 508.030 or 508.080 within the three (3) year period prior to the date on which the application is submitted or may revoke a license if the licensee has been found guilty of a violation of KRS 508.030 or 508.080 within the preceding three (3) years.

(4) The Department of State Police shall deny, suspend, or revoke a license to carry a concealed deadly weapon upon written notice by the Cabinet for Families and Children that the person has a child support arrearage which equals or exceeds the cumulative amount which would be owed after one (1) year of nonpayment, or for failure, after receiving appropriate notice, to comply with a subpoena or warrant relating to paternity or child support proceedings.

(5) The application for a permit, or renewal of a permit, to carry a concealed deadly weapon shall be obtained from the office of the sheriff in the county in which the person resides. The completed application and all accompanying material plus an application fee or renewal fee, as appropriate, of sixty dollars ($60) shall be presented to the office of the sheriff of the county in which the applicant resides. A retired peace officer who is a member of the Kentucky Employees Retirement System, State Police Retirement System, County Employees Retirement System, or other retirement system operated by or for a city, county, or urban-county in Kentucky shall be exempt from paying the application or renewal fees following the date of his retirement. The sheriff shall transmit the application and accompanying material to the Department of State Police within five (5) working days. Twenty dollars ($20) of the application fee shall be retained by the office of the sheriff for official expenses of the office. Twenty dollars ($20) shall be sent to the Department of State Police with the application. Ten dollars ($10) shall be transmitted by the sheriff to the Administrative Office of the Courts to fund background checks for youth leaders, and ten dollars ($10) shall be transmitted to the Administrative Office of the Courts to fund background checks for applicants for concealed weapons. The application shall be completed, under oath, on a form promulgated by the Department of State Police by administrative regulation which shall only include:

(a) The name, address, place and date of birth, gender, and Social Security number of the applicant;

(b) A statement that, to the best of his knowledge, the applicant is in compliance with criteria contained within subsections (2) and (3) of this section;

(c) A statement that the applicant has been furnished a copy of this section and is knowledgeable about its provisions;

(d) A statement that the applicant has been furnished a copy of, has read, and understands KRS Chapter 503 as it pertains to the use of deadly force for self-defense in Kentucky; and

(e) A conspicuous warning that the application is executed under oath and that a materially false answer to any question, or the submission of any materially false document by the applicant, subjects the applicant to criminal prosecution under KRS 523.030.

(6) The applicant, if a resident of the Commonwealth, shall submit to the sheriff of the applicant's county of residence:

(a) A completed application as described in subsection (5) of this section;

(b) A recent color photograph of the applicant, as prescribed by administrative regulation; and

(c) A photocopy of a certificate or an affidavit or document as described in subsection (2)(f) of this section.

(7) The Department of State Police shall, within ninety (90) days after the date of receipt of the items listed in subsection (6) of this section, either:

(a) Issue the license; or

(b) Deny the application based solely on the grounds that the applicant fails to qualify under the criteria listed in subsection (2) or (3) of this section. If the Department of State Police denies the application, it shall notify the applicant in writing, stating the grounds for denial and informing the applicant of a right to submit, within thirty (30) days, any additional documentation relating to the grounds of denial. Upon receiving any additional documentation, the Department of State Police shall reconsider its decision and inform the applicant within twenty (20) days of the result of the reconsideration. The applicant shall further be informed of the right to seek de novo review of the denial in the District Court of his place of residence within ninety (90) days from the date of the letter advising the applicant of the denial.

(8) The Department of State Police shall maintain an automated listing of licenseholders and pertinent information, and this information shall be available on-line, upon request, at all times to all Kentucky law enforcement agencies. Except as provided in this subsection, information on applications for licenses, names and addresses, or other identifying information relating to license holders shall be confidential and shall not be made available except to law enforcement agencies. Requests for information to be provided to any requester other than a bona fide law enforcement agency which has direct access to the Law Enforcement Information Network of Kentucky shall be made, in writing, directly to the commissioner of the Department of State Police, together with the fee required for the providing of the information. The Department of

State Police shall, upon proper application and the payment of the required fee, provide to the requester in hard copy form only, a list of names of all holders in the Commonwealth of a license to carry a concealed deadly weapon. No identifying information other than the name shall be provided, and information for geographic areas or other subdivisions of any type from the list shall not be provided and shall be confidential. The fee to be charged shall be the same as for other public records provided by the Department of State Police. No request for lists of local or statewide permit holders shall be made to any state or local law enforcement agency, peace officer, or other agency of government other than the Department of State Police, and no state or local law enforcement agency, peace officer, or agency of government, other than the Department of State Police, shall provide any information not entitled to it by law. The names of all persons, other than law enforcement agencies and peace officers, requesting information under this section shall be a public record.

(9) Within thirty (30) days after the changing of a permanent address, or within thirty (30) days after the loss or destruction of a license, the licensee shall notify the Department of State Police of the loss or destruction. Failure to notify the Department of State Police shall constitute a noncriminal violation with a penalty of twenty-five dollars ($25) payable to the clerk of the District Court. When a licensee makes application to change his or her residence address or other information on the license, neither the sheriff nor the Department of State Police shall require a surrender of the license until a new license is in the office of the applicable sheriff and available for issuance. Upon the issuance of a new license, the old license shall be destroyed by the sheriff.

(10) If a license is lost or destroyed, the license shall be automatically invalid, and the person to whom the same was issued may, upon payment of fifteen dollars ($15) to the Department of State Police, obtain a duplicate, upon furnishing a notarized statement to the Department of State Police that the license has been lost or destroyed.

(11) A license issued under this section shall be suspended or revoked if the licensee becomes ineligible to be issued a license under the criteria set forth in subsection (2)(a), (c), (d), (e), (f), or (h) of this section. When a domestic violence order or emergency protective order is issued pursuant to the provisions of KRS Chapter 403 against a person holding a license issued under this section, the holder of the permit shall surrender the license to the court or to the officer serving the order. The officer to whom the license is surrendered shall forthwith transmit the license to the court issuing the order. The license shall be suspended until the order is terminated, or until the judge who issued the order terminates the suspension prior to the termination of the underlying domestic violence order or emergency protective order, in writing and by return of the license, upon proper motion by the license holder. Subject to the same conditions as above, a peace officer against whom an emergency protective order or domestic violence order has been issued shall not be permitted to carry a concealed deadly weapon when not on duty, the provisions of KRS 527.020 to the contrary notwithstanding.

(12) Not less than ninety (90) days prior to the expiration date of the license, the Department of State Police shall mail to each licensee a written notice of the expiration and a renewal form prescribed by the Department of State Police. The licensee may renew his license on or before the expiration date by filing with the sheriff of his county of residence the renewal form, a notarized affidavit stating that the licensee remains qualified pursuant to the criteria specified in subsections (2) and (3) of this section, and the required renewal fee. The license shall be renewed to a qualified applicant upon receipt of the completed renewal application and appropriate payment of fees. When a licensee makes application for a renewal of his or her license, neither the sheriff nor the Department of State Police shall require a surrender of the license until the new license is in the office of the applicable sheriff and available for issuance. Upon the issuance of a new license, the old license shall be destroyed by the sheriff. A licensee who fails to file a renewal application on or before its expiration date may renew his license by paying, in addition to the license fees, a late fee of fifteen dollars ($15). No license shall be renewed six (6) months or more after its expiration date, and the license shall be deemed to be permanently expired six (6) months after its expiration date. A person whose license has permanently expired may reapply for licensure pursuant to subsections (5), (6) and (7) of this section.

(13) No license issued pursuant to this section shall authorize any person to carry a concealed firearm into:

(a) Any police station or sheriff's office;

(b) Any detention facility, prison, or jail;

(c) Any courthouse, solely occupied by the Court of Justice courtroom, or court proceeding, except that nothing in this section shall preclude a judge from carrying a concealed weapon;

(d) Any meeting of the governing body of a county, municipality, or special district; or any meeting of the General Assembly or a committee of the General Assembly, except that nothing in this section shall preclude a member of the body, holding a concealed deadly weapon license, from carrying a concealed deadly weapon at a meeting of the body of which he is a member;

(e) Any portion of an establishment licensed to dispense beer or alcoholic beverages for consumption on the premises, which portion of the establishment is primarily devoted to that purpose;

(f) Any elementary or secondary school facility without the consent of school authorities as provided in KRS 527.070, any child-caring facility as defined in KRS 199.011, any day-care center as defined in KRS 199.894, or any certified family child-care home as defined in KRS 199.8982, except however, any owner of a certified child-care home may carry a concealed firearm into the owner's residence used as a certified child-care home;

(g) An area of an airport to which access is controlled by the inspection of persons and property; or

(h) Any place where the carrying of firearms is prohibited by federal law.

(14) The owner, business or commercial lessee, or manager of a private business enterprise, day-care center as defined in KRS 199.894 or certified or licensed family child-care home as defined in KRS 199.8982, or a health-care facility licensed under KRS Chapter 216B, except facilities renting or leasing housing, may prohibit persons holding concealed deadly weapon licenses from carrying concealed deadly weapons on the premises and may prohibit employees, not authorized by the employer, holding concealed deadly weapons licenses from carrying concealed deadly weapons on the property of the employer. If the building or the premises are open to the public, the employer or business enterprise shall post signs on or about the premises if carrying concealed weapons is prohibited. Possession of weapons in a vehicle on the premises shall not be a criminal offense so long as the weapons are not removed from the vehicle or brandished while the vehicle is on the premises. A private but not a public employer may prohibit employees or other persons holding a concealed deadly weapons license from carrying concealed deadly weapons in vehicles owned by the employer, but may not prohibit employees or other persons holding a concealed deadly weapons license from carrying concealed deadly weapons in vehicles owned by the employee, except that the Justice Cabinet may prohibit an employee from carrying any weapons, other than the weapons issued or authorized to be used by the employee of the cabinet, in a vehicle while transporting persons under the employee's supervision or jurisdiction. Carrying of a concealed weapon in a location specified in this subsection by a license holder shall not be a criminal act but may subject the person to denial from the premises or removal from the premises, and, if an employee of an employer, disciplinary measures by the employer.

(15) All moneys collected by the Department of State Police pursuant to this section shall be used to administer the provisions of this section. By March 1 of each year, the Department of State Police and the Administrative Office of the Courts shall submit reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives, indicating the amounts of money collected and the expenditures related to this section and KRS 237.115, 244.125, 527.020, and 527.070, and the administration of the provisions of this section and KRS 237.115, 244.125, 527.020, and 527.070.

(16) The General Assembly finds as a matter of public policy that it is necessary to provide statewide uniform standards for issuing licenses to carry concealed firearms and to occupy the field of regulation of the bearing of concealed firearms to ensure that no person who qualifies under the provisions of this section is denied his rights. The General Assembly does not delegate to the Department of State Police the authority to regulate or restrict the issuing of licenses provided for in this section beyond those provisions contained in this section. This section shall be liberally construed to carry out the constitutional right to bear arms for self-defense.

(17) (a) A person who has a valid license issued by another state *or territory* of the United States to carry a concealed deadly weapon in that state may, subject to provisions of Kentucky law, carry a concealed deadly weapon in Kentucky, and his *other* license shall be considered as valid in Kentucky.

(b) *If a person who has a valid concealed deadly weapon license or permit issued by another state or territory of the United States and that person becomes a resident of Kentucky, the out-of-state concealed deadly weapon license shall remain valid in Kentucky until its date of expiration at which time the person shall obtain a Kentucky concealed deadly weapon license.*

(c) *A person who has a valid concealed deadly weapon license issued by another state or territory may obtain a Kentucky concealed deadly license in Kentucky without meeting the training requirements specified in this section if the state or territory which issued the previous license had a training requirement which specified that an applicant for a license receive firearms safety training, training on the use of deadly force, and qualify on a range with a firearm prior to the issuance of the other state's or territory's license. The burden of proving that the other state or territory had the requirements specified in this subsection shall be on the applicant and shall be satisfied by including a copy of the relevant statute or administrative regulation from the state or territory which issued the license with the application for a Kentucky concealed deadly weapon license.*

(d) The Department of State Police shall, not later than thirty (30) days after July 15, 1998, and not less than once every six (6) months thereafter, make written inquiry of the concealed deadly weapon carrying licensing authorities in each other state as to whether a Kentucky resident may carry a concealed deadly weapon in their state based upon having a valid Kentucky concealed deadly weapon license, or whether a Kentucky resident may apply for a concealed deadly weapon carrying license in that state based upon having a valid Kentucky concealed deadly weapon license. The Department of State Police shall attempt to secure from each other state permission for Kentucky residents who hold a valid Kentucky concealed deadly weapon license to carry concealed deadly weapons in that state, either on the basis of the Kentucky license or on the basis that the Kentucky license is sufficient to permit the issuance of a similar license by the other state. The Department of State Police shall enter into a written reciprocity agreement with the appropriate agency in each state that agrees to permit Kentucky residents to carry concealed deadly weapons in the other state on the basis of a Kentucky-issued concealed deadly weapon license or that will issue a license to carry concealed deadly weapons in the other state based upon a Kentucky concealed deadly weapon license. If a reciprocity agreement is reached, the requirement to recontact the other state each six (6) months shall be eliminated as long as the reciprocity agreement is in force. The information shall be a public record and shall be available to individual requesters free of charge for the first copy and at the normal rate for open records requests for additional copies.

(18) By March 1 of each year, the Department of State Police shall submit a statistical report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, indicating the number of licenses issued, revoked, suspended, and denied since the previous report and in total and also the number of licenses currently valid. The report shall also include the number of arrests, convictions, and types of crimes committed since the previous report by individuals licensed to carry concealed weapons.

HJR 86, A JOINT RESOLUTION authorizing Mark Herres to bring a civil action against the Commonwealth and appropriate state agencies.

WHEREAS, the courts of the Commonwealth provide a convenient and open forum for the resolution of disputes that is particularly well suited for the taking and hearing of evidence in matters concerning real property; and

WHEREAS, the Commonwealth, in holding and managing real property, desires to act fairly and equitably toward adjoining property owners as the Commonwealth seeks to properly manage the people's land; and

WHEREAS, a dispute currently exists regarding the right of Mark Herres to utilize certain passways over real property making up the Natural Bridge State Resort Park held by the Commonwealth of Kentucky to reach a parcel of real property owned by Mark Herres situated between the Natural Bridge State Resort Park and the Daniel Boone National Forest, said real property having previously been known as the "Watkins Tract" and the "Pace Tract"; and

WHEREAS, the Commonwealth desires that the dispute be resolved in a fair and impartial manner so as to bring justice to both parties and that this might be accomplished by utilization of the Court of Justice should negotiations between the parties fail;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. Mark Herres is authorized to bring a civil action against the Commonwealth of Kentucky and any appropriate state agencies in regard to that certain parcel of land owned by Mark Herres in Powell County, Kentucky, situated between the Daniel Boone National Forest and Natural Bridge State Resort Park, the same having been conveyed to him by Mr. Loyd B. Pace and Etta M. Pace, with the civil action including an adjudication of the rights and titles of the parties in relation to the aforementioned passways across the Natural Bridge State Resort Park.

Section 2. In authorizing the civil action, the Commonwealth does not preclude Mark Herres or the Commonwealth from raising additional claims for relief which do not require the authorization of the Commonwealth to bring, which claims relate to the dispute between the parties in regard to the passways over the Natural Bridge State Resort Park, if the additional claims for relief may be brought pursuant to the rules of civil procedure.

Section 3. Notwithstanding any other provision of law to the contrary, jurisdiction and venue for this action shall be in the Circuit Court of Powell County.

Section 4. The right to bring the action granted under Section 1 of this joint resolution includes the right to request and be granted injunctive relief, if appropriate, and the right of appeal if the appeal is otherwise allowed by law.

Section 5. The Clerk of the House is directed to transmit a copy of this resolution to Mark Herres, 705 Taywood Road, Englewood, OH 45322, the Hon. F. C. Bryan, P.O. Box 1426, Mt. Sterling, KY, 40353-5425, the Attorney General of the Commonwealth of Kentucky, 700 Capitol Avenue, Suite 118, Frankfort, KY, 40601, and the Kentucky Department of Parks, Capital Plaza Tower, 500 Metro Street, Suite 1100, Frankfort, KY 40601-1974.

Motions, Petitions, and Communications, (Continued)

Representative Crimm moved the adoption of the following **HR 128**:

HR 128, A RESOLUTION adjourning the House of Representatives in honor of Donald and Lucy Herman upon the occasion of their fiftieth wedding anniversary on February 9, 2002.

WHEREAS, Donald and Lucy Herman entered into the bonds of holy matrimony on February 9, 1952; and

WHEREAS, Donald and Lucy Herman have experienced fifty years filled with love, perpetual friendship, confidence, and integrity; and

WHEREAS, Donald and Lucy Herman are the devoted parents of four loving children, Barry Herman, Lynne Korfhage, Daniel Herman and Thomas Herman; and

WHEREAS, on February 9, 2002, Donald and Lucy Herman celebrated their fiftieth wedding anniversary, much to the joy of their family and friends;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives holds the institution of marriage in high esteem and is proud and honored to congratulate Donald and Lucy Herman upon the occasion of their fiftieth wedding anniversary, and wishes to them many more years of happiness.

Section 2. When the House of Representatives adjourns this day, it does so in honor of Donald and Lucy Herman upon the occasion of their fiftieth wedding anniversary on February 9, 2002.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Mr. and Mrs. Donald Herman, 4421 Buttonbush Glen Drive, Louisville, Kentucky 40241.

There being no objection **HR 128** was adopted.

Representative Westrom moved the adoption of the following **HR 135**:

HR 135, A RESOLUTION memorializing First Lieutenant William Blake Satterly.

WHEREAS, one of the greatest gifts one human can bestow is the offering of one's life for the ideals a nation possesses; and

WHEREAS, First Lieutenant William Blake Satterly of the 47th Airlift Flight of the United States Air Force, through his service in the Air Force, was prepared to sacrifice himself for his family's, friends', state's, and nation's good; and

WHEREAS, Lieutenant Satterly was a patriotic native son of the Commonwealth, born in Lexington, graduated from Henry Clay High School in 1991, served in the United States Army for four years, entered and graduated from the University of Kentucky in 1999, while serving in the United States Air Force ROTC, and upon graduation joined the United States Air Force in 2000 at Wright Patterson Air Force Base as a Second Lieutenant; and

WHEREAS, on February 2, 2002, First Lieutenant William Blake Satterly died in the service of his country as his aircraft crashed near Ellsworth Air Force Base; and

WHEREAS, in addition to his service to the United States, he was the devoted son to his parents, William S. Satterly and Rita Kay Thornbury Canupp; a devoted husband to his wife, April White Satterly; loving father to his daughters, Meghan Elise and Amber Nicole; brother to Joel T. Satterly and Lora Beth Lyster; and also a devoted stepson and grandson;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its profound sense of sorrow at the passing of First Lieutenant William Blake Satterly, and simultaneously expresses its pride in William Blake Satterly centered in his devotion to the security of the Commonwealth, the United States of America, and the peoples within, and extends its condolences to his family and friends in their time of bereavement.

Section 2. When the House of Representatives adjourns this day, it shall do so in the honored memory of First Lieutenant William Blake Satterly.

Section 3. The Clerk of the House of Representatives is directed to transmit a copy of this Resolution to William S. Satterly, 285 T Rosemont Garden, Lexington, Kentucky 40503.

There being no objection **HR 135** was adopted.

Representative Hoffman moved to withdraw **HB 173**. Agreed.

Representative Wayne moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Wayne moved that he be recorded as voting "yea" on **HB 242** and **HB 474**. Agreed.

Representative Horlander moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Horlander moved that he be recorded as voting "yea" on **HB 430, HB 548,** and **HB 477**. Agreed.

Representative Yonts moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Yonts moved that his vote be changed from "yea" to "nay" on **HB 474**. Agreed.

Representative Nesler moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Nesler moved that his vote be changed from "yea" to "nay" on **HB 474**. Agreed.

Representative Vincent moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Vincent moved that his vote be changed from "yea" to "nay" on **HB 474**. Agreed.

Representative Vincent moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Vincent moved that he be recorded as voting "nay" on **HB 174** and **483**. Agreed.

Representative Sims moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Sims moved that she be recorded as voting "nay" on **HB 313**. Agreed.

Representative Vincent moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Vincent moved that he be recorded as voting "yea" on **HB 87, HB 235, HB 313, HB 329, HB 333, HB 344,** and **HB 484**. Agreed.

Representative Branham moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Branham moved that he be recorded as voting "yea" on **HB 87, HB 235, HB 313, HB 329, HB 333, HB 344, HB 483,** and **HB 484**. Agreed.

Representative Sims moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Sims moved that she be recorded as voting "yea" on **HB 87, HB 329, HB 333, HB 344, HB 483,** and **HB 484.** Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 9 to the Committee Substitute to **HB 369**, by Representative Crall:

On page 9, after line 1, by adding:

"*(16) As a condition of having its drug products covered by a health benefit plan authorized under this section, a pharmaceutical manufacturer shall not discriminate in the pricing of its products to pharmacies that have provider agreements with the plan based solely on the pharmacy's class of trade. This provision shall not interfere with the pharmaceutical manufacturer's ability to offer volume discounts or discounts for prompt payment.*".

Floor Amendment No. 10 to the Committee Substitute to **HB 369**, by Representative Yonts:

On page 8, line 22, after "*(e)*", by inserting the following:

"*All prescription drugs dispensed to a resident of the Commonwealth under a program authorized by this section shall be dispensed by a pharmacist holding a valid license issued by the Kentucky Board of Pharmacy pursuant to KRS Chapter 315.*

(f)".

Floor Amendment No. 11 to the Committee Substitute to **HB 369**, by Representative Yonts:

On page 9, after line 1, by inserting the following:

"SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) A health benefit plan shall apply the same coinsurance, copayment, deductible, and quantity limit factors within the same employee group and other plan-sponsored groups to all drug prescriptions filled by any licensed pharmacy provider, whether by a retail licensed pharmacy provider or a mail order licensed pharmacy provider, and each pharmacy provider shall comply with the same terms and conditions.

(2) Nothing in this section shall be construed to:

(a) Prohibit the health benefit plan from applying difference coinsurance, copayment, and deductible factors within the same employer group and other plan-sponsored groups between generic and brand-name drugs; or

(b) Prohibit an employer or other plan-sponsored group from offering multiple options or choices of health benefit plans including, but not limited to, cafeteria benefit plans.".

Floor Amendment No. 12 to the Committee Substitute to **HB 369**, by Representative Vincent:

On page 3, line 22, after "program." by adding "*If a carrier is the only carrier whose bid was accepted to provide coverage in a county, that carrier shall be allowed to offer the same plan at the same price as an additional carrier in any other county for which bids have been accepted from three (3) other carriers to provide coverage.*".

Floor Amendment No. 13 to the Committee Substitute to **HB 369**, by Representative Vincent:

On page 3, line 22, after "program." by adding "*Any carrier whose bid is accepted as one (1) of three (3) carriers to provide coverage in any county shall be allowed to offer the same plan at a different fair and reasonable price as determined by the carrier in any county for which either the bid from only one (1) carrier was accepted or no carriers submitted bids.*".

Floor Amendment No. 2 to the Committee Substitute to **HB 314**, by Representative Adkins:

On Page 9, lines 21 - 24, by deleting them in their entirety; and

On Page 16, starting on line 13 and continuing to the end of the bill, by deleting all of Section 14 in its entirety.

Floor Amendment No. 14 to the Committee Substitute to **HB 369**, by Representative Cherry:

On page 8, by deleting lines 6 through 11 and inserting in lieu thereof:

"*(b) Any retail pharmacy that agrees to meet the mail order price, dispensing fee, and copay requirements of the mail order program shall be permitted to participate in any health benefit plan that provides services under this section or participate with an insurer that provides services under this section, if the pharmacy is located within the geographic coverage area of the health benefit plan or insurer that provides the prescription benefits.*".

Floor Amendment No. 3 to the Committee Substitute to **HB 314**, by Representative Hoover:

On Page 9, lines 9 - 12, by deleting them in their entirety; and

On Page 9, line 13, by renumbering subsection *(2)* as *(1)*; and

On Page 9, line 21, by renumbering subsection *(3)* as *(2)*; and

On Page 10, lines 18 and 19, by deleting all underlined language on same.

Floor Amendment No. 1 to the Committee Substitute to **HB 511**, by Representative Riner:

On page 11, after line 7, by inserting the following:

"SECTION 10. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

The General Assembly finds that it is not in the best interests of families and children for alcoholic beverages to be sold at sporting events which are held at state-owned facilities, and which are attended by children. The General Assembly encourages those formulating policies governing state-owned facilities at which sporting events are held to consider the long-term negative impact on children when the Commonwealth allows alcoholic beverages to be associated with sporting events.".

Floor Amendment No. 2 to **HB 511**, by Representative Riner:

On page 12, after line 20, by inserting the following:

SECTION 11. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

"*The General Assembly finds that it is not in the best interests of families and children for alcoholic beverages to be sold at sporting events which are held at state-owned facilities, and which are attended by children. The General Assembly encourages those formulating policies governing state-owned facilities at which sporting events are held to consider the long-term negative impact on children when the Commonwealth allows alcoholic beverages to be associated with sporting events.*"

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 463, Representative Stewart

HB 491, Representatives Feeley, Marzian, Nunn, Palumbo, Stein, Stumbo, and Westrom

HB 593, Representative Hall

HB 667, Representatives DeWeese, Marzian, and Stein.

Announcements

The following meeting was announced:

Transportation: no meeting Thursday, February 14, 2002

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., on Thursday, February 14, 2002.

The motion that the House adjourn until 2:00 p.m., Thursday, February 14, 2002, was adopted by voice vote.

THURSDAY, FEBRUARY 14, 2002

TWENTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Reverend Jack Brewer, First United Methodist Church, Frankfort, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Collins and Walton.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of February 13, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Senate Message

Announced passage of **SB 131, SB 147, SB 153, HB 131,** and **HB 282**.

Message received in regard to **HB 170**: The Senate has passed **HB 170** by way of Committee Substitute and respectfully requests concurrence of this Honorable Body. (Time 2:10 p.m.)

Introduction of Bills and Resolutions

HB 670, by Representatives Crenshaw and Bather: AN ACT relating to crimes and punishments.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HB 657, 658, 662, HJR 133, 134**

Banking and Insurance: **HB 660, HCR 138**

Education: **HB 669**

Health and Welfare: **HB 664, HCR 136**

Judiciary: **HB 663, 665**

Labor and Industry: **HB 656**

Licensing and Occupations: **HB 668**

Local Government: **HB 661**

Natural Resources and Environment: **HJR 139**

Seniors, Military Affairs and Public Safety: **HB 667**

State Government: **HB 659, HCR 132, SB 31, 136**

Transportation: **HB 666, HJR 140**

House Floor: **HR 137**

Posting of Bills for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Judiciary: **HB 541, HB 644, HB 627, HB 628, HB 651**

Tourism Development and Energy: **HB 418**

Report of Committees

The Committee on Rules reported that **HB 198, HB 296, HB 436, HB 505, HB 511,** and **HB 528** have been posted for passage in the Orders of the Day for February 15, 2002.

The Committee on Health and Welfare reported **HB 222, HB 249, HB 455,** with Committee Substitute and Committee Amendment attached thereto, **HB 617, SB 4,** and **SB 89** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 222, AN ACT relating to social work.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 335.010 is amended to read as follows:

(1) It is the purpose and policy of the Commonwealth of Kentucky to protect the public from being misled by incompetent and unauthorized persons, and from unprofessional conduct on the part of qualified social workers by providing regulatory authority over persons who hold themselves out to the public as social workers.

(2) The purpose of KRS 335.010 to 335.160 and KRS 335.990 is to promote high standards of professional performance for those engaged in the profession of social work by regulating the title, and by setting standards of qualification, training, and experience for those who seek to engage in the practice of social work.

(3) Nothing contained in KRS 335.010 to 335.160 and KRS 335.990 shall be applicable to employees of the State Department of Education or local boards of education who meet the certification requirements in the area of social work as established, or which may be established, by the Kentucky Board of Education. Nor shall anything in KRS 335.010 to 335.160 and KRS 335.990 be construed to apply to, limit, or restrict the regulation of the title, setting of standards, qualifications, training, or experience of those who seek to engage in the practice of social work and who have been, or will be, certified by the Kentucky Board of Education for the position for which they have been employed.

(4) Nothing contained in KRS 335.010 to 335.160 and KRS 335.990 shall require persons employed by the Commonwealth of Kentucky, the director or administrative head of a social service agency or division of a city, county**,** or urban-county government, or applicants for such employment to be licensed.

(5) Nothing contained in KRS 335.010 to 335.160 and KRS 335.990 shall require persons employed by church-related or church-operated or affiliated agencies, childrens' homes, neighborhood centers, or other philanthropic and nonprofit field service offices to be licensed. The provisions of KRS 335.010 to 335.160 and KRS 335.990 shall not be construed to apply to, limit, or restrict the regulation of the title, setting of standards, qualifications, training, and experience of those engaged as employees of such entities in the practice of social work or applied social counseling.

(6) Nothing contained in KRS 335.010 to 335.160 and KRS 335.990 shall limit the activities of a graduate student or intern performing a practicum as part of his or her course of study at a board-approved educational institution. The practicum shall be recognized by transcript as a part of the student's or intern's supervised course of study.

Section 2. KRS 335.080 is amended to read as follows:

(1) The board shall issue a license as "certified social worker" to an applicant who meets the following requirements:
  (a) Is at least eighteen (18) years of age;
  (b) Is a person of good moral character;
  (c) Has received a master's degree or doctorate degree in social work from an educational institution approved by the board;
  (d) Has paid to the board an examination fee established by the board by promulgation of an administrative regulation;
  (e) Has passed an examination prepared by the board;
  (f) Has not within the preceding ***three (3)***[~~six (6)~~] months failed to pass an examination given by the board;
  (g) Has paid an initial license fee established by the board by promulgation of an administrative regulation; and
  (h) Has complied with KRS 214.615(1).

(2) The license shall be displayed in the licensee's principal place of practice, and shall entitle the licensee to hold himself forth to the public as providing services as authorized by KRS 335.010 to 335.160 and 335.990.

(3) A certified social worker may engage in the practice of clinical social work by contracting, in writing, with a licensed clinical social worker who shall assume responsibility for and supervise the certified social worker's practice as directed by the board by promulgation of administrative regulations. The certified social worker shall, for purposes of this section, be an employee of an institution or organization in which the certified social worker has no direct or indirect interest other than employment. No certified social worker shall enter into a practice of clinical social work until this contract has been approved by the board, and shall cease the practice of clinical social work immediately upon the termination of the contract. At the termination of the contract, the certified social worker shall apply for licensure as a licensed clinical social worker or request an extension of the contract from the board.

Section 3. KRS 335.090 is amended to read as follows:

(1) The board shall issue a license as "licensed social worker" to an applicant who meets the following requirements:

(a) Is at least eighteen (18) years of age;

(b) Is a person of good moral character;

(c) 1. Has received a baccalaureate degree in a social work or social welfare program accredited by the Council on Social Work Education; or

2. Has received a baccalaureate degree and has completed courses equivalent to a social work or social welfare program as determined by the board;

(d) Has paid to the board an examination fee established by the board by promulgation of an administrative regulation;

(e) Has passed an examination prepared by the board;

(f) Has not within the preceding ***three (3)***~~[six (6)]~~ months failed to pass an examination given by the board;

(g) Has paid an initial license fee established by the board by promulgation of an administrative regulation; and

(h) Has complied with KRS 214.615(1).

(2) The license shall be displayed in the licensee's principal place of practice, and shall entitle the licensee to hold himself forth to the public as providing services as authorized by KRS 335.010 to 335.160 and 335.990.

Section 4. KRS 335.100 is amended to read as follows:

(1) The board shall issue a license as "licensed clinical social worker" to an applicant who meets the following requirements:

(a) Has received a master's degree or doctoral degree in social work from an educational institution approved by the board;

(b) Has had a minimum of two (2) years of full time post-master's experience, consisting of at least thirty (30) hours per week, or three (3) years of part time, consisting of at least twenty (20) hours per week, post-master's degree experience acceptable to the board in the use of specialty methods and measures to be employed in clinical social work practice, the experience having been acquired under appropriate supervision as established by the board by promulgation of an administrative regulation;

(c) Has paid to the board an examination fee established by the board by promulgation of an administrative regulation;

(d) Has passed an examination prepared by the board for this purpose;

(e) Has not within the preceding ***three (3)***~~[six (6)]~~ months failed to pass an examination given by the board;

(f) Has paid an initial license fee established by the board by promulgation of an administrative regulation; and

(g) Has complied with KRS 214.615(1).

(2) The license shall be displayed in the licensee's principal place of practice, and shall entitle the licensee to hold himself forth to the public as providing services as authorized by KRS 335.010 to 335.160 and KRS 335.990.

(3) A licensed clinical social worker may contract with a certified social worker in the practice of clinical social work as provided in KRS 335.080(3). The licensed clinical social worker shall assume responsibility for and supervise the certified social worker's practice as directed by the board by promulgation of administrative regulations.

HB 249, AN ACT related to pharmacists.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 315.121 is amended to read as follows:

(1) The board may refuse to issue or renew a license, permit, or certificate to, or may suspend, temporarily suspend, revoke, fine, place on probation, reprimand, reasonably restrict, or take any combination of these actions against any licensee, permit holder, or certificate holder for the following reasons:

(a) Unprofessional or unethical conduct;

(b) Mental or physical incapacity that prevents the licensee, permit holder, or certificate holder from engaging in the practice of pharmacy or the wholesale distribution or manufacturing of drugs with reasonable skill, competence, and safety to the public;

(c) Being convicted of, or entering an "Alford" plea or plea of nolo contendere to, irrespective of an order granting probation or suspending imposition of any sentence imposed following the conviction or entry of such plea, one (1) or more or the following:

  1. A felony;
  2. An act involving moral turpitude or gross immorality; or
  3. A violation of the pharmacy or drug laws, rules, or administrative regulations of this state, any other state, or the federal government;

(d) Knowing or having reason to know that a pharmacist, pharmacist intern, or pharmacy technician is incapable of engaging or assisting in the practice of pharmacy with reasonable skill, competence, and safety to the public and failing to report any relevant information to the board;

(e) Knowingly making or causing to be made any false, fraudulent, or forged statement or misrepresentation of a material fact in securing issuance or renewal of a license, permit, or certificate;

(f) Engaging in fraud in connection with the practice of pharmacy or the wholesale distribution or manufacturing of drugs;

(g) Engaging in or aiding and abetting an individual to engage in the practice of pharmacy without a license or falsely using the title of "pharmacist," "pharmacist intern," or other term which might imply that the individual is a pharmacist or pharmacist intern;

(h) Being found by the board to be in violation of any provision of this chapter, KRS Chapter 217, KRS Chapter 218A, or the administrative regulations promulgated pursuant to these chapters;

(i) Violation of any order issued by the board to comply with any applicable law or administrative regulation; or

(j) Knowing or having reason to know that a pharmacist, pharmacist intern, or pharmacy technician has engaged in or aided and abetted the unlawful distribution of legend medications, and failing to report any relevant information to the board.

(2) Unprofessional or unethical conduct includes, but is not limited to, the following acts of a pharmacist or pharmacist intern:

(a) Publication or circulation of false, misleading, or deceptive statements concerning the practice of pharmacy;

(b) Divulging or revealing to unauthorized persons patient information or the nature of professional services rendered without the patient's express consent or without order or direction of a court. In addition to members, inspectors, or agents of the board, the following are considered authorized persons:

  1. The patient, patient's agent, or another pharmacist acting on behalf of the patient;
  2. Certified or licensed health-care personnel who are responsible for care of the patient;
  3. Designated agents of the Cabinet for Health Services for the purposes of enforcing the provisions of KRS Chapter 218A;
  4. Any federal, state, or municipal officer whose duty is to enforce the laws of this state or the United States relating to drugs and who is engaged in a specific investigation involving a designated person; or
  5. An agency of government charged with the responsibility of providing medical care for the patient, upon written request by an authorized representative of the agency requesting such information;

(c) Selling, transferring, or otherwise disposing of accessories, chemicals, drugs, or devices found in illegal traffic when the pharmacist or pharmacy intern knows or should have known of their intended use in illegal activities;

(d) Engaging in conduct likely to deceive, defraud, or harm the public, demonstrating a willful or careless disregard for the health, welfare, or safety of a patient, or engaging in conduct which substantially departs from accepted standards of pharmacy practice ordinarily exercised by a pharmacist or pharmacy intern, with or without established proof of actual injury;

(e) Engaging in grossly negligent professional conduct, with or without established proof of actual injury;

(f) Selling, transferring, dispensing, ingesting, or administering a drug for which a prescription drug order is required, without having first received a prescription drug order for the drug;

(g) Willfully or knowingly failing to maintain complete and accurate records of all drugs received, dispensed, or disposed of in compliance with federal and state laws, rules, or administrative regulations;

(h) Obtaining any remuneration by fraud, misrepresentation, or deception; or

(i) Accessing or attempting to access confidential patient information for persons other than those with whom a pharmacist has a current pharmacist-patient relationship and where such information is necessary to the pharmacist to provide pharmacy care.

(3) Any licensee, permit holder, or certificate holder entering an "Alford" plea, pleading nolo contendere, or who is found guilty of a violation prescribed in subsection (1)(c) of this section shall within thirty (30) days notify the board of that plea or conviction. Failure to do so shall be grounds for suspension or revocation of the license, certificate, or permit.

(4) Any person whose license, permit, or certificate has been revoked in accordance with the provisions of this section, may petition the board for reinstatement. The petition shall be made in writing and in a form prescribed by the board. The board shall investigate all reinstatement petitions, and the board may reinstate a license, permit, or certificate upon showing that the former holder has been rehabilitated and is again able to engage in the practice of pharmacy with reasonable skill, competency, and safety to the public. Reinstatement may be on the terms and conditions that the board, based on competent evidence, reasonably believes necessary to protect the health and welfare of the citizens of the Commonwealth.

(5) Upon exercising the power of revocation provided for in subsection (1) of this section, the board may reasonably prohibit any petition for reinstatement for a period up to and including five (5) years.

(6) Any licensee, permit holder, or certificate holder who is disciplined under this section for a minor violation may request in writing that the board expunge the minor violation from the licensee's, permit holder's, or certificate holder's permanent record.

(a) The request for expungement may be filed no sooner than three (3) years after the date on which the licensee, permit holder, or certificate holder has completed disciplinary sanctions imposed and if the licensee, permit holder, or certificate holder has not been disciplined for any subsequent violation of the same nature within this period of time.

(b) No person may have his or her record expunged under this section more than once.

The board shall promulgate administrative regulations under KRS Chapter 13A to establish violations which are minor violations under this subsection. A violation shall be deemed a minor violation if it does not demonstrate a serious inability to practice the profession; adversely affect the public health, safety, or welfare; or result in economic or physical harm to a person, or create a significant threat of such harm.

HB 455, AN ACT relating to individuals with autism.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) As used in this Act, "autism" has the same meaning as KRS 304-17A.143(3).

(2) The Department for Medicaid Services shall apply to the federal Centers for Medicare and Medicaid Services for a home and community-based waiver to provide services and supports to individuals under age twenty-one (21) who have a diagnosis of autism. The waiver application shall include, but not be limited to, the following services:

(a) Speech and communication therapies;

(b) Occupational therapy;

(c) Social skills;

(d) Sensory therapies;

(e) Behavior therapies;

(f) Physical and mental health; and

(g) Respite.

(3) The waiver services shall be:

(a) Delivered by providers who demonstrate expertise in services to individuals with autism. Expertise may be demonstrated by completion of the recommended number of hours of continuing education and training provided by the Kentucky Autism Training Center's Best Practices Guidelines; and

(b) Coordinated with and shall not supplant services provided by schools under KRS Chapter 157 or services provided under KRS Chapters 200 and 347.

(4) The cabinet shall report the number of individuals receiving services under the waiver, the cost and type of services received, and any available nonidentifying information pertaining to individual outcomes.

Section 2. KRS 200.654 is amended to read as follows:

As used in KRS 200.650 to 200.676, unless the context requires otherwise:

(1) "Awards and contracts" means the state and federal funds designated by the cabinet for projects relating to planning, resource development, or provision of direct early intervention services, as defined in this section, to infants and toddlers with disabilities and their families;

(2) "Cabinet" means the Cabinet for Health Services;

(3) "Child find" means a system to identify, locate, and evaluate all infants and toddlers with disabilities who are eligible for early intervention services, determine which children are receiving services, and coordinate the effort with other state agencies and departments;

(4) "Council" means the Kentucky Early Intervention System Interagency Coordinating Council;

(5) "District" means one (1) of the fifteen (15) area development districts;

(6) "District early intervention committee" means an interagency coordinating committee established within each of the fifteen (15) area development districts to facilitate interagency coordination at the district level;

(7) "Early intervention services" means services for infants and toddlers with disabilities***, including autism,*** and their families delivered according to an individualized family service plan developed by the child multidisciplinary team to meet the developmental needs of eligible children, as defined in this section, and provided by entities receiving public funds using qualified personnel. The individualized family services plan is developed and the services are provided in collaboration with the families and, to the maximum extent appropriate, in natural environments, including home and community settings in which infants and toddlers without disabilities would participate. These services are necessary to enable the child to reach maximum potential. Services to be made available shall include, but not be limited to, the following:

- (a) Screening services;
- (b) Evaluation services;
- (c) Assessment services;
- (d) Service coordination;
- (e) Transportation and related costs for accessing early intervention services;
- (f) Family services including counseling, psychological, and social work services;
- (g) Health services including medical services for diagnostic and evaluation purposes only;
- (h) Nutrition services;
- (i) Occupational therapy services;
- (j) Physical therapy services;
- (k) Communication development services;
- (l) Sensory development services;
- (m) Developmental intervention services;
- (n) Assistive technology services; and
- (o) Respite services;

(8) "Early intervention system" means the management structure established in KRS 200.654 to 200.670 and which is comprised of the interdependent array of services and activities for the provision of a statewide, comprehensive, coordinated, multidisciplinary, interagency program for infants and toddlers with disabilities and their families;

(9) "Individual family service plan" means the singular comprehensive written service plan developed by the child's multidisciplinary team, with the child's parents serving as fully participating members of the team, to be followed by all agencies and other entities involved in providing early intervention services to an infant or toddler with disabilities and the child's family;

(10) "Infants and toddlers with disabilities" and "eligible children" mean children from birth to thirty-six (36) months of age in need of early intervention services as a result of one (1) of the following circumstances:

- (a) The child is experiencing developmental delays, as measured by diagnostic instruments and procedures in one (1) or more of the following skill areas: physical; cognitive; communication; social or emotional; or adaptive development;[~~or~~]
- (b) The child has a diagnosed physical or mental condition which has a high probability of resulting in developmental delay; ***or***
- ***(c) The child has a diagnosis of autism;***

(11) "Multidisciplinary team" means the child-specific group responsible for determining the services needed by the infant or toddler with disabilities and the child's family, and development of the individualized family services plan. The team for each child shall include the parent or guardian of the child and individuals representing at least two (2) applicable disciplines which may include but need not be limited to the following: physical therapy; speech therapy; social work; nursing; or education;

(12) "Point of entry" means an easily identifiable, highly accessible nonstigmatized entry into services; and

(13) "Qualified service provider" means an entity, including but not limited to an individual, program, department, or agency, responsible for the delivery of early intervention services to eligible infants and toddlers with disabilities and their families who has met the highest minimum standards of state-approved or recognized certification, licensing, registration, or other comparable requirements that apply to the area in which the entity is providing early intervention services.

Section 3. KRS 347.020 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Active treatment" means provision of services as specified in an individualized service plan. These services may include, but are not limited to activities, experiences and therapy which are part of a professionally developed and supervised program of health, social, habilitative and developmental services;

(2) "Case management services" means all such services to persons with developmental disabilities as will assist them in gaining access to needed social, medical, legal, educational and other services, and such term includes:

(a) Follow-along services which assure, through a continuing relationship between an agency or provider and a person with a developmental disability and the person's parent, if the person is a minor, or guardian, if the person has been adjudicated legally disabled, that the changing needs of the person and the family are recognized and appropriately met; and

(b) Coordinated services which provide to persons with developmental disabilities support, access to, and coordination of other services, information on programs and services and monitoring of the person's progress;

(3) "Habilitation" means the process described in the individualized service plan by which a person is assisted to acquire and maintain physical, mental and social skills which will enable him to live most efficiently and effectively in the least restrictive individually appropriate environment;

(4) "Individualized service plan (ISP)" means a written plan of service based on an interdisciplinary approach which is revised as needed but no less than annually. The plan shall be developed by the interdisciplinary team and shall contain a statement of:

(a) The nature of the specific mental, physical, social and developmental needs of the person;

(b) The specific services to be provided under this chapter, those services being provided under other state and federal laws and a schedule for the provision of said services; and

(c) The least restrictive individually appropriate environment for the provision of services and active treatment;

(5) "Individually appropriate" means responsive to the needs of the person as determined through interdisciplinary assessment and provided pursuant to an individualized service plan;

(6) "Interdisciplinary team (IDT)" means those persons who work most directly with the individual in each of the professions, disciplines and service areas that provide active treatment, services and evaluations for the person, including the persons set forth in KRS 347.030(6). Prior to relocation to a more individually appropriate placement in accordance with his individualized service plan, the IDT shall include staff representing the current placement and staff representing the proposed placement;

(7) "Least restrictive environment" means the individually appropriate residence and service delivery setting, including the entire array of residential alternatives as defined by this chapter, in which the person can function most effectively and independently, gaining to the maximum extent possible, control over his environment, and shall be based solely on his needs as identified in his individualized service plan. This definition shall not be construed to abolish any existing residential or institutional alternatives as defined by this chapter;

(8) "Monitor" means to conduct a systematic, coordinated, objective qualitative review of services by a body independent of the agencies providing services under this chapter. This body shall include persons with developmental disabilities, parents, guardians and professionals;

(9) "Person with a developmental disability" means a person with a long term disability which:

(a) Is attributable to a developmental or physical impairment or combination of developmental and physical impairments***, including autism***;

(b) Is likely to continue indefinitely;

(c) Results in substantial functional limitations in at least three (3) of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency;

(d) Requires special, generic or interdisciplinary care and active treatment and services of extended duration; and

(e) Is manifested before the person attains age twenty-two (22); and

(10) "Representative" means any individual who can advise and advocate for a person with developmental disabilities and who shall serve at the request and pleasure of such person; provided, however, if the person with developmental disabilities is a minor or is legally disabled and has not requested a representative, the parent or guardian may request a representative to assist on behalf of a person with developmental disabilities;

(11) "Residence" or "residential alternative" means the living space occupied by the person with a developmental disability, including single-person homes, natural family homes, institutional facilities and all other types of living arrangements; and

(12) "Services" means such residential, developmental, vocational, support and related services, training and active treatment in the least restrictive, individually appropriate environment to provide for continuing development of independent or interdependent living skills of persons with developmental disabilities. These services include, but are not restricted to, diagnostic services; child development services; respite care; domestic assistance; consumer-directed attendant care; habilitation and rehabilitation; speech, physical and occupational therapy; recreational therapy and activities; training for parents, guardians and care providers as requested by said persons; transportation; equipment; development of language and communication skills; interpreters; family counseling and case management.

Section 4. KRS 387.510 is amended to read as follows:

As used in KRS 387.500 to 387.770 and 387.990:

(1) "Conservator" means an individual, agency, or corporation appointed by the court to manage the financial resources of a disabled person.

(2) "Limited conservator" means an individual, agency, or corporation appointed by the court to assist in managing the financial resources of a partially disabled person and whose powers and duties have been specifically enumerated by court order.

(3) "Guardian" means any individual, agency, or corporation appointed by the court to have full care, custody, and control of a disabled person and to manage his financial resources.

(4) "Limited guardian" means a guardian who possesses fewer than all of the legal powers and duties of a full guardian, and whose powers and duties have been specifically enumerated by court order.

(5) "Standby" guardian or conservator means a person or entity designated by the court to assume the powers and duties assigned to a limited guardian, guardian, limited conservator, or conservator upon his death, resignation, removal, or incapacity.

(6) "Testamentary" guardian or conservator means an individual, agency, or corporation nominated in the will of a limited guardian, guardian, limited conservator, or conservator to succeed the testator in that capacity upon his death.

(7) "Developmental disability" means a severe, chronic disability of a person which:

  (a) Is attributable to a mental or physical impairment or combination of mental and physical impairments ***including autism***;

  (b) Is manifested before the person attains age twenty-two (22);

  (c) Is likely to continue indefinitely;

  (d) Results in substantial functional limitations in three (3) or more of the following areas of major life activity: 1. self-care; 2. receptive and expressive language; 3. learning; 4. mobility; 5. self-direction; 6. capacity for independent living; and 7. economic self-sufficiency; and

  (e) Reflects the person's need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.

(8) "Disabled" means a legal, not a medical disability, and is measured by functional inabilities. It refers to any person fourteen (14) years of age or older who is:

  (a) Unable to make informed decisions with respect to his personal affairs to such an extent that he lacks the capacity to provide for his physical health and safety, including but not limited to health care, food, shelter, clothing, or personal hygiene; or

  (b) Unable to make informed decisions with respect to his financial resources to such an extent that he lacks the capacity to manage his property effectively by those actions necessary to obtain, administer, and dispose of both real and personal property.

  Such inability shall be evidenced by acts or occurrences within six (6) months prior to the filing of the petition for guardianship or conservatorship and shall not be evidenced solely by isolated instances of negligence, improvidence, or other behavior.

(9) "Partially disabled" refers to an individual who lacks the capacity to manage some of his personal affairs and/or financial resources as provided in subsection (8) of this section, but who cannot be found to be fully disabled as provided therein.

(10) "Mentally ill person" means a person with substantially impaired capacity to use self-control, judgment, or discretion in the conduct of his affairs and social relations, associated with maladaptive behavior or recognized emotional symptoms where impaired capacity, maladaptive behavior, or emotional symptoms can be related to physiological, psychological, or social factors.

(11) "Interdisciplinary evaluation report" means a report of an evaluation of a respondent performed pursuant to the provisions of KRS 387.540 to determine whether he is partially disabled or disabled as defined herein.

(12) "Interested person or entity" means an adult relative or friend of the respondent or ward, an official or representative of a public or private agency, corporation, or association concerned with that person's welfare, or any other person found suitable by the court.

(13) "Petitioner" means a person who institutes a proceeding under KRS 387.530.

(14) "Respondent" means an individual alleged to be a partially disabled or disabled person.

(15) "Ward" means a person for whom a limited guardian, guardian, limited conservator, or conservator has been appointed.

(16) "Committee" means a person appointed by the court prior to July 1, 1982, to have full care, custody, and control of a disabled person and his estate.

The Committee Substitute to **HB 455** is as follows:

HB 455, AN ACT relating to individuals with autism.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section and Sections 2, 3, and 4 of this Act, "pervasive developmental disorders" has the same meaning as in the Diagnostic and Statistical Manual of Mental Disorders, fourth edition (DSM-IV). The term includes five (5) diagnostic subcategories:

(a) Autistic disorder;

(b) Pervasive disorder not otherwise specified;

(c) Asperger's disorder;

(d) Rett's disorder; and

(e) Childhood disintegrative disorder.

(2) The Department for Medicaid Services shall make application to the federal Centers for Medicare and Medicaid Services for a waiver to provide services and supports to individuals who:

(a) Are Medicaid eligible;

(b) Have an Axis I diagnosis of a pervasive developmental disorder;

(c) Are institutionalized or at risk for institutionalization; and

(d) Require a coordinated plan of medically necessary community-based behavioral health services.

(3) The waiver application shall include services that are documented to be effective in the treatment of pervasive developmental disorders and consistent with clinical best practices.

(4) The waiver application shall specify the required credentials for the providers of each service.

(5) The cabinet shall fund the first full year of the waiver by:

(a) Determining the total expenditures for fiscal year 2001-2002 in the IMPACT Plus program that were associated with providing services to children with pervasive developmental disorders; and

(b) Redirecting those total expenditures from the IMPACT Plus program to the waiver.

(6) The cabinet shall include in the waiver application those items that are necessary to ensure the waiver operates within the designated dollars including, but not limited to, a maximum number of individuals to be served and a maximum dollar amount that can be expended for an individual.

(7) The waiver shall be coordinated with and shall not supplant services provided by schools under KRS Chapter 157 or services provided under KRS Chapters 200 and 347. Nothing in this section shall affect or limit a school district's ability to obtain Medicaid reimbursement for school-related health services.

(8) The Department for Medicaid Services shall report to the Governor, the Legislative Research Commission, and the Interim Joint Committee on Health and Welfare on the number of individuals receiving services under the waiver, the cost and type of services received, and any available nonidentifying information pertaining to individual outcomes.

Section 2. KRS 200.654 is amended to read as follows:

As used in KRS 200.650 to 200.676, unless the context requires otherwise:

(1) "Awards and contracts" means the state and federal funds designated by the cabinet for projects relating to planning, resource development, or provision of direct early intervention services, as defined in this section, to infants and toddlers with disabilities and their families;

(2) "Cabinet" means the Cabinet for Health Services;

(3) "Child find" means a system to identify, locate, and evaluate all infants and toddlers with disabilities who are eligible for early intervention services, determine which children are receiving services, and coordinate the effort with other state agencies and departments;

(4) "Council" means the Kentucky Early Intervention System Interagency Coordinating Council;

(5) "District" means one (1) of the fifteen (15) area development districts;

(6) "District early intervention committee" means an interagency coordinating committee established within each of the fifteen (15) area development districts to facilitate interagency coordination at the district level;

(7) "Early intervention services" means services for infants and toddlers with disabilities***, including pervasive developmental disorders,*** and their families delivered according to an individualized family service plan developed by the child multidisciplinary team to meet the developmental needs of eligible children, as defined in this section, and provided by entities receiving public funds using qualified personnel. The individualized family services plan is developed and the services are provided in collaboration with the families and, to the maximum extent appropriate, in natural environments, including home and community settings in which infants and toddlers without disabilities would participate. These

services are necessary to enable the child to reach maximum potential. Services to be made available shall include, but not be limited to, the following:

(a) Screening services;

(b) Evaluation services;

(c) Assessment services;

(d) Service coordination;

(e) Transportation and related costs for accessing early intervention services;

(f) Family services including counseling, psychological, and social work services;

(g) Health services including medical services for diagnostic and evaluation purposes only;

(h) Nutrition services;

(i) Occupational therapy services;

(j) Physical therapy services;

(k) Communication development services;

(l) Sensory development services;

(m) Developmental intervention services***, including social skills development***;

(n) Assistive technology services;[~~ and~~]

(o) Respite services; ***and***

(p) Behavioral therapies;

(8) "Early intervention system" means the management structure established in KRS 200.654 to 200.670 and which is comprised of the interdependent array of services and activities for the provision of a statewide, comprehensive, coordinated, multidisciplinary, interagency program for infants and toddlers with disabilities and their families;

(9) "Individual family service plan" means the singular comprehensive written service plan developed by the child's multidisciplinary team, with the child's parents serving as fully participating members of the team, to be followed by all agencies and other entities involved in providing early intervention services to an infant or toddler with disabilities and the child's family;

(10) "Infants and toddlers with disabilities" and "eligible children" mean children from birth to thirty-six (36) months of age in need of early intervention services as a result of one (1) of the following circumstances:

(a) The child is experiencing developmental delays, as measured by diagnostic instruments and procedures in one (1) or more of the following skill areas: physical; cognitive; communication; social or emotional; or adaptive development;[~~ or~~]

(b) The child has a diagnosed physical or mental condition which has a high probability of resulting in developmental delay; ***or***

(c) The child has a diagnosis of pervasive diagnostic disorder;

(11) "Multidisciplinary team" means the child-specific group responsible for determining the services needed by the infant or toddler with disabilities and the child's family, and development of the individualized family services plan. The team for each child shall include the parent or guardian of the child and individuals representing at least two (2) applicable disciplines which may include but need not be limited to the following: physical therapy; speech therapy; social work; nursing; or education;

(12) "Point of entry" means an easily identifiable, highly accessible nonstigmatized entry into services; and

(13) "Qualified service provider" means an entity, including but not limited to an individual, program, department, or agency, responsible for the delivery of early intervention services to eligible infants and toddlers with disabilities and their families who has met the highest minimum standards of state-approved or recognized certification, licensing, registration, or other comparable requirements that apply to the area in which the entity is providing early intervention services.

Section 3. KRS 347.020 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Active treatment" means provision of services as specified in an individualized service plan. These services may include, but are not limited to activities, experiences and therapy which are part of a professionally developed and supervised program of health, social, habilitative and developmental services;

(2) "Case management services" means all such services to persons with developmental disabilities as will assist them in gaining access to needed social, medical, legal, educational and other services, and such term includes:

(a) Follow-along services which assure, through a continuing relationship between an agency or provider and a person with a developmental disability and the person's parent, if the person is a minor, or guardian, if the person has been adjudicated legally disabled, that the changing needs of the person and the family are recognized and appropriately met; and

(b) Coordinated services which provide to persons with developmental disabilities support, access to, and coordination of other services, information on programs and services and monitoring of the person's progress;

(3) "Habilitation" means the process described in the individualized service plan by which a person is assisted to acquire and maintain physical, mental and social skills which will enable him to live most efficiently and effectively in the least restrictive individually appropriate environment;

(4) "Individualized service plan (ISP)" means a written plan of service based on an interdisciplinary approach which is revised as needed but no less than annually. The plan shall be developed by the interdisciplinary team and shall contain a statement of:

(a) The nature of the specific mental, physical, social and developmental needs of the person;

(b) The specific services to be provided under this chapter, those services being provided under other state and federal laws and a schedule for the provision of said services; and

(c) The least restrictive individually appropriate environment for the provision of services and active treatment;

(5) "Individually appropriate" means responsive to the needs of the person as determined through interdisciplinary assessment and provided pursuant to an individualized service plan;

(6) "Interdisciplinary team (IDT)" means those persons who work most directly with the individual in each of the professions, disciplines and service areas that provide active treatment, services and evaluations for the person, including the persons set forth in KRS 347.030(6). Prior to relocation to a more individually appropriate placement in accordance with his individualized service plan, the IDT shall include staff representing the current placement and staff representing the proposed placement;

(7) "Least restrictive environment" means the individually appropriate residence and service delivery setting, including the entire array of residential alternatives as defined by this chapter, in which the person can function most effectively and independently, gaining to the maximum extent possible, control over his environment, and shall be based solely on his needs as identified in his individualized service plan. This definition shall not be construed to abolish any existing residential or institutional alternatives as defined by this chapter;

(8) "Monitor" means to conduct a systematic, coordinated, objective qualitative review of services by a body independent of the agencies providing services under this chapter. This body shall include persons with developmental disabilities, parents, guardians and professionals;

(9) "Person with a developmental disability" means a person with a long term disability which:

(a) Is attributable to a developmental or physical impairment or combination of developmental and physical impairments***, including pervasive developmental disorders***;

(b) Is likely to continue indefinitely;

(c) Results in substantial functional limitations in at least three (3) of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency;

(d) Requires special, generic or interdisciplinary care and active treatment and services of extended duration; and

(e) Is manifested before the person attains age twenty-two (22); and

(10) "Representative" means any individual who can advise and advocate for a person with developmental disabilities and who shall serve at the request and pleasure of such person; provided, however, if the person with developmental disabilities is a minor or is legally disabled and has not requested a representative, the parent or guardian may request a representative to assist on behalf of a person with developmental disabilities;

(11) "Residence" or "residential alternative" means the living space occupied by the person with a developmental disability, including single-person homes, natural family homes, institutional facilities and all other types of living arrangements; and

(12) "Services" means such residential, developmental, vocational, support and related services, training and active treatment in the least restrictive, individually appropriate environment to provide for continuing development of independent or interdependent living skills of persons with developmental disabilities. These services include, but are not restricted to, diagnostic services; child development services; respite care; domestic assistance; consumer-directed attendant care; habilitation and rehabilitation***, including behavioral therapies***; speech, physical and occupational therapy; recreational therapy and activities; training for parents, guardians and care providers as requested by said persons; transportation; equipment; development of language and communication skills; interpreters; family counseling and case management.

Section 4. KRS 387.510 is amended to read as follows:

As used in KRS 387.500 to 387.770 and 387.990:

(1) "Conservator" means an individual, agency, or corporation appointed by the court to manage the financial resources of a disabled person.

(2) "Limited conservator" means an individual, agency, or corporation appointed by the court to assist in managing the financial resources of a partially disabled person and whose powers and duties have been specifically enumerated by court order.

(3) "Guardian" means any individual, agency, or corporation appointed by the court to have full care, custody, and control of a disabled person and to manage his financial resources.

(4) "Limited guardian" means a guardian who possesses fewer than all of the legal powers and duties of a full guardian, and whose powers and duties have been specifically enumerated by court order.

(5) "Standby" guardian or conservator means a person or entity designated by the court to assume the powers and duties assigned to a limited guardian, guardian, limited conservator, or conservator upon his death, resignation, removal, or incapacity.

(6) "Testamentary" guardian or conservator means an individual, agency, or corporation nominated in the will of a limited guardian, guardian, limited conservator, or conservator to succeed the testator in that capacity upon his death.

(7) "Developmental disability" means a severe, chronic disability of a person which:

(a) Is attributable to a mental or physical impairment or combination of mental and physical impairments***, including pervasive developmental disorder***;

(b) Is manifested before the person attains age twenty-two (22);

(c) Is likely to continue indefinitely;

(d) Results in substantial functional limitations in three (3) or more of the following areas of major life activity: 1. self-care; 2. receptive and expressive language; 3. learning; 4. mobility; 5. self-direction; 6. capacity for independent living; and 7. economic self-sufficiency; and

(e) Reflects the person's need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.

(8) "Disabled" means a legal, not a medical disability, and is measured by functional inabilities. It refers to any person fourteen (14) years of age or older who is:

(a) Unable to make informed decisions with respect to his personal affairs to such an extent that he lacks the capacity to provide for his physical health and safety, including but not limited to health care, food, shelter, clothing, or personal hygiene; or

(b) Unable to make informed decisions with respect to his financial resources to such an extent that he lacks the capacity to manage his property effectively by those actions necessary to obtain, administer, and dispose of both real and personal property.

Such inability shall be evidenced by acts or occurrences within six (6) months prior to the filing of the petition for guardianship or conservatorship and shall not be evidenced solely by isolated instances of negligence, improvidence, or other behavior.

(9) "Partially disabled" refers to an individual who lacks the capacity to manage some of his personal affairs and/or financial resources as provided in subsection (8) of this section, but who cannot be found to be fully disabled as provided therein.

(10) "Mentally ill person" means a person with substantially impaired capacity to use self-control, judgment, or discretion in the conduct of his affairs and social relations, associated with maladaptive behavior or recognized emotional symptoms where impaired capacity, maladaptive behavior, or emotional symptoms can be related to physiological, psychological, or social factors.

(11) "Interdisciplinary evaluation report" means a report of an evaluation of a respondent performed pursuant to the provisions of KRS 387.540 to determine whether he is partially disabled or disabled as defined herein.

(12) "Interested person or entity" means an adult relative or friend of the respondent or ward, an official or representative of a public or private agency, corporation, or association concerned with that person's welfare, or any other person found suitable by the court.

(13) "Petitioner" means a person who institutes a proceeding under KRS 387.530.

(14) "Respondent" means an individual alleged to be a partially disabled or disabled person.

(15) "Ward" means a person for whom a limited guardian, guardian, limited conservator, or conservator has been appointed.

(16) "Committee" means a person appointed by the court prior to July 1, 1982, to have full care, custody, and control of a disabled person and his estate.

The Committee Amendment No. 1 Title to **HB 455** is as follows:

Amend the title to read as follows: "AN ACT relating to individuals with pervasive developmental disorders.".

HB 617, AN ACT relating to medical practice.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 311.530 is amended to read as follows:

There is hereby created in state government an independent board to be known as the State Board of Medical Licensure which shall exercise all medical and osteopathic licensure functions heretofore exercised by the State Board of Health. The offices of the board shall be maintained at such place as is designated by the board. The board shall consist of fifteen (15) members, including the commissioner of public health, the dean of the University of Kentucky College of Medicine, the ***vice*** dean ***for clinical affairs*** of the University of Louisville School of Medicine, the dean of the Pikeville College School of Osteopathic Medicine, and eleven (11) members appointed by the Governor. One (1) member shall be a licensed osteopathic physician and shall be appointed from a list of three (3) names submitted by the Kentucky Osteopathic Association. Seven (7) members shall be licensed medical physicians and shall be appointed from a list of three (3) names submitted for each position by the Kentucky Medical Association. Three (3) members shall be citizens at large who are representatives of any recognized consumer advocacy groups with an interest in the delivery of health care and are not associated with or financially interested in the practice or business regulated.

Section 2. KRS 311.535 is amended to read as follows:

The appointed members of the State Board of Medical Licensure shall hold office for terms of four (4) years and until their successors are appointed and qualify. The commissioner of public health and the deans of the medical schools shall hold office only while holding their respective titles.~~[All appointed members who held office as of January 1, 1986, shall continue to hold office until the expiration of their respective terms.]~~ The terms of all appointed members of the board shall expire on August 31 of the last year of their respective terms.

Section 3. KRS 311.545 is amended to read as follows:

The State Board of Medical Licensure may utilize such materials, services or facilities as may be made available to it by other state agencies or may contract therefor, to such extent or degree as the board, in its discretion, may determine. It shall~~[have custody of all of the records formerly maintained by the State Board of Health as the medical and osteopathic licensing authority in this state and shall]~~ keep accurate records of its activities, reporting annually to the Governor.~~[All unexpended funds under the control of the State Board of Health on September 1, 1972, which were derived from fees collected by it pursuant to KRS 311.565 shall be transferred to the credit of the State Board of Medical Licensure to be expended by it in the performance of the powers and duties confided to it by KRS 311.565.]~~

Section 4. KRS 311.550 is amended to read as follows:

As used in KRS 311.530 to 311.620 and KRS 311.990(4) to (6):

(1) "Board" means the State Board of Medical Licensure;

(2) "President" means the president of the State Board of Medical Licensure;

(3) "Secretary" means the secretary of the State Board of Medical Licensure;

(4) "Executive director" means the executive director of the State Board of Medical Licensure or any assistant executive directors appointed by the board;

(5) "General counsel" means the general counsel of the State Board of Medical Licensure or any assistant general counsel appointed by the board;

(6) "Regular license" means a license to practice medicine or osteopathy at any place in this state;

(7) "Limited license" means a license to practice medicine or osteopathy in a specific institution or locale to the extent indicated in the license;

(8) "Temporary permit" means a permit issued to a person who has applied for a regular ~~[or limited]~~license, and who appears from verifiable information in the application to the ***executive director***~~[secretary]~~ to be qualified and eligible therefor;

(9) "Emergency permit" means a permit issued to a physician currently licensed in another state, authorizing the physician to practice in this state for the duration of a specific medical emergency, not to exceed thirty (30) days;

(10) Except as provided in subsection (11) of this section, the "practice of medicine or osteopathy" means the diagnosis, treatment, or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices, or instrumentalities;

(11) The "practice of medicine or osteopathy" does not include the practice of Christian Science, ***the domestic administration of family remedies, the rendering of first aid or medical assistance in an emergency in the absence of a person licensed to practice medicine or osteopathy under the provisions of this chapter, the use of automatic external defibrillators in accordance with the provisions of KRS 311.665 to 311.669,*** the practice of podiatry as defined in KRS 311.380, the practice of a midlevel health care practitioner as defined in KRS 216.900, the practice of dentistry as defined in KRS 313.010, the practice of optometry as defined in KRS 320.210, the practice of chiropractic as defined in subsection (2) of KRS 312.015, the practice as a nurse as defined in KRS 314.011, the practice of physical therapy as defined in KRS 327.010, the performance of duties for which they have been trained by paramedics licensed under KRS 311.652 to 311.658, emergency medical technician first responders, or emergency medical technicians certified under KRS 311.652 to 311.658, the practice of pharmacy by persons licensed and registered under KRS 315.050, the sale of drugs, nostrums,

patented or proprietary medicines, trusses, supports, spectacles, eyeglasses, lenses, instruments, apparatus, or mechanisms that are intended, advertised, or represented as being for the treatment, correction, cure, or relief of any human ailment, disease, injury, infirmity, or condition, in regular mercantile establishments, or the practice of midwifery by women. KRS 311.530 to 311.620 shall not be construed as repealing the authority conferred on the Cabinet for Health Services by KRS Chapter 211 to provide for the instruction, examination, licensing, and registration of all midwives through county health officers;

(12) "Physician" means a doctor of medicine or a doctor of osteopathy;

(13) "Grievance" means any allegation in whatever form alleging misconduct by a physician;

(14) "Charge" means a specific allegation alleging a violation of a specified provision of this chapter;

(15) "Complaint" means a formal administrative pleading that sets forth charges against a physician and commences a formal disciplinary proceeding;

(16) As used in KRS 311.595(4), "crimes involving moral turpitude" shall mean those crimes which have dishonesty as a fundamental and necessary element, including, but not limited to, crimes involving theft, embezzlement, false swearing, perjury, fraud, or misrepresentation;

(17)[~~"Physician assistant" means a person who has graduated from a physician assistant or surgeon assistant program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs and who has passed the certifying examination administered by the National Commission on Certification of Physician Assistants or who possesses a current physician assistant certificate issued by the board prior to July 15, 1998;~~

~~(18) "Supervising physician" means a physician licensed by the board who supervises physician assistants; and~~

~~(19) "Supervision" means overseeing the activities of, and accepting responsibility for, the medical services rendered by a physician assistant. The constant physical presence of the supervising physician is not required so long as the supervising physician and physician assistant are or can be easily in contact with one another by radio, telephone, or other telecommunication device. Each team of physicians and physician assistants shall ensure that the delegation of medical tasks is appropriate to the physician assistant's level of training and experience; that the identification of and access to the supervising physician is defined; and that a process for evaluation of the physician assistant's performance is established.~~

~~(20)~~] "Telehealth" means the use of interactive audio, video, or other electronic media to deliver health care. It includes the use of electronic media for diagnosis, consultation, treatment, transfer of medical data, and medical education*;*

(18) "Order" means a direction of the board or its panels made or entered in writing that determines some point or directs some step in the proceeding and is not included in the final order;

(19) "Agreed order" means a written document that includes but is not limited to stipulations of fact or stipulated conclusions of law that finally resolves a grievance, a complaint, or a show cause order issued informally without expectation of further formal proceedings in accordance with subsection (6) of Section 13 of this Act;

(20) "Final order" means an order issued by the hearing panel that imposes one (1) or more disciplinary sanctions authorized by this chapter;

(21) "Letter of agreement" means a written document that informally resolves a grievance, a complaint, or a show cause order and is confidential in accordance with Section 22 of this Act;

(22) "Letter of concern" means an advisory letter to notify a physician that, although there is insufficient evidence to support disciplinary action, the board believes the physician should modify or eliminate certain practices and that the continuation of those practices may result in action against the physician's license;

(23) "Motion to revoke probation" means a pleading filed by the board alleging that the licensee has violated a term or condition of probation and that fixes a date and time for a revocation hearing;

(24) "Revocation hearing" means a hearing conducted in accordance with KRS Chapter 13B to determine whether the licensee has violated a term or condition of probation;

(25) "Chronic or persistent alcoholic" means an individual who is suffering from a medically diagnosable disease characterized by chronic, habitual, or periodic consumption of alcoholic beverages resulting in the interference with the individual's social or economic functions in the community or the loss of powers of self-control regarding the use of alcoholic beverages;

(26) "Addicted to a controlled substance" means an individual who is suffering from a medically diagnosable disease characterized by chronic, habitual, or periodic use of any narcotic drug or controlled substance resulting in the interference with the individual's social or economic functions in the community or the loss of powers of self-control regarding the use of any narcotic drug or controlled substance;

(27) "Provisional permit" means a temporary permit issued to a licensee engaged in the active practice of medicine within this Commonwealth who has admitted to violating any provision of Section 16 of this Act that permits the licensee to continue the practice of medicine until the board issues a final order on the registration or reregistration of the licensee; and

(28) "Fellowship training license" means a license to practice medicine or osteopathy in a fellowship training program as

specified by the license.

Section 5. KRS 311.560 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, no person shall engage or attempt to engage in the practice of medicine or osteopathy within this state, or open, maintain, or occupy an office or place of business within this state for engaging in practice, or in any manner announce or express a readiness to engage in practice within this state, unless the person holds a valid and effective license or permit issued by the board as hereinafter provided.

(2) The provisions of subsection (1) of this section shall not apply to:

(a) Commissioned medical officers of the Armed Forces of the United States, or medical officers of the United States Public Health Service, the United States Veterans Administration, and other agencies of the government of the United States of America, while said persons are engaged in the performance, within this state, of their official duties under federal laws;

(b) 1. Persons who, being nonresidents of Kentucky and lawfully licensed to practice medicine or osteopathy in their states of actual residence, infrequently engage in the practice of medicine or osteopathy within this state, when called to see or attend particular patients in consultation and association with a physician licensed pursuant to this chapter; or

2. Persons who, being current participants in a medical residency program outside of Kentucky and lawfully licensed to practice medicine or osteopathy in the states of their medical residency programs, who participate in a temporary residency rotation of no more than sixty (60) days at a hospital in this Commonwealth. All persons who participate in a temporary residency rotation under this paragraph shall register with the board at no cost, on forms provided by the board, and shall be subject to the jurisdiction of the board for so long as they participate in the residency rotation. Persons who wish to participate in a second or subsequent temporary residency rotation under this paragraph shall seek advance approval of the board;[~~or~~]

(c) Graduates of medical or osteopathic schools approved by the board, while engaged in performing supervised internship or first-year postgraduate training approved by the board at hospitals in this state. All first-year postgraduate trainees shall register with the board at no cost, on forms provided by the board. This shall not be construed to otherwise exempt interns or first-year postgraduate trainees, or to exempt in any manner resident or staff physicians of hospitals, from the licensure requirements of KRS 311.530 to 311.620. A residency physician who participates in a temporary residency rotation under paragraph (b) of this subsection shall not be required to obtain a license under KRS 311.530 to 311.620***; or***

(d) Physicians employed by a sports entity visiting Kentucky for a specific sporting event when the physician holds an active medical or osteopathic license in another state and limits the practice of medicine in Kentucky to medical treatment of the members, coaches, and staff of the sports entity that employs the physician.

[~~(3) Physician assistants shall be considered to practice medicine or osteopathy with physician supervision. A physician assistant may perform those duties and responsibilities that are delegated by the supervising physician. A physician assistant shall be considered the agent of the supervising physician in the performance of all practice related activities, including, but not limited to, the performance of or ordering of diagnostic, therapeutic, and other medical services. A physician assistant shall not render services in hospitals or other licensed health care facilities without the express written permission of the facility's governing body. The facility may restrict the physician assistant's scope of practice within the facility as the facility deems appropriate.~~

~~(4) A physician assistant may prescribe and administer drugs and medical devices to the extent delegated by the supervising physician. Prescribing and administering of drugs may include all nonscheduled legend drugs. Any physician assistant who is delegated prescribing privileges may request, receive, and sign for professional sample drugs and distribute professional sample drugs to patients.~~]

Section 6. KRS 311.565 is amended to read as follows:

(1) The board may:

(a) Exercise all the administrative functions of the state in the prevention of empiricism and in the regulation of the practice of medicine and osteopathy which shall include, but not be limited to, promulgation of reasonable administrative regulations enabling the board to regulate the conduct of its licensees;

(b) Promulgate reasonable administrative regulations establishing moral, physical, intellectual, educational, scientific, technical, and professional qualifications of applicants for licenses and permits that may be issued by the board;

(c) Issue, deny, suspend, limit, restrict, and revoke any licenses or permits that may be issued by the board, and to reprimand or to place licensees on probation, in compliance with the provisions of KRS 311.530 to 311.620;

(d) Appoint an executive director and assistant executive directors and fix their compensation. The executive director shall oversee the work of the board, shall be authorized to discharge the duties of the secretary, as provided by KRS 311.530 to 311.620, and shall carry out the duties of the executive director as set forth elsewhere in this chapter;

(e) Appoint a general counsel and assistant general counsel and fix their compensation;

(f) Appoint investigatory personnel and fix their compensation;

(g) Appoint one (1) or more hearing officers, who need not be members of the board, and fix their compensation. Every hearing officer shall be vested with the full and complete power and authority of the board to schedule and conduct hearings on behalf of and in the name of the board on all matters referred for hearing by the board or secretary thereof, including, among other things, proceedings for placing licensees on probation and for limitation, suspension, and revocation of licenses. All administrative hearings conducted by the board, a member of the board, or a hearing officer appointed by the board, shall be conducted in accordance with KRS Chapter 13B. No hearing officer shall be empowered to place any licensee on probation or to issue, refuse, suspend, limit, or revoke any license;

(h) Appoint committees of licensees, who need not be board members, to review issues of public or medical interest before the board and to make recommendations to the board on the issues;

(i) Promulgate administrative regulations to promote the efficient and fair conduct of disciplinary proceedings;

(j) Promulgate a code of conduct governing the practice of medicine and osteopathy, which shall be based upon generally-recognized principles of professional ethical conduct;

(k) Utilize the services and facilities of professional organizations, and procure and receive the assistance and recommendations of professional organizations in administering KRS 311.530 to 311.620;

(l) Make its personnel and facilities available to other governmental entities under mutually agreeable terms and conditions;

(m) Issue regular licenses without further testing by endorsement from another state having qualifications and standards at least as high as those of this state or by endorsement from the National Board of Medical Examiners, the National Board of Examiners for Osteopathic Physicians and Surgeons, the National ***Joint***[~~Gaint~~] Committee of Preregistration Physician Training Programs, or any approved successors thereof;

(n) Issue and renew regular licenses to practice medicine or osteopathy in accordance with KRS 311.530 to 311.620 and any reasonable regulations of the board;

(o) Issue and renew, or refuse to issue or renew, or cancel and terminate limited licenses pursuant to administrative regulations promulgated by the board; provided however, no person who held a limited license for institutional practice or general practice as of September 1, 1972, shall be denied the renewal of that limited license for nondisciplinary reasons;

(p) Appoint examiners, who need not be members of the board, and employ or contract with the Federation of State Medical Boards of the United States, Inc., or the National Board of Medical Examiners or other organizations, agencies, or individuals to prepare examination questions and grade examination papers;

(q) Determine the schools, colleges, universities, institutions, and training acceptable in connection with licensure under KRS 311.530 to 311.620;

(r) Prescribe the time, place, method, manner, scope, and content of examinations[~~, but at least two (2) examinations shall be held annually~~];

(s) Prescribe all forms which it considers appropriate, and require the submission of photographs, fingerprints, and personal history data***, and when deemed appropriate, obtain criminal history information regarding applicants from the National Crime Information Center or comparable sources***;

(t) Prescribe and collect reasonable fees and charges for examinations, directories, and the issuance and renewal of licenses and permits; and

(u) Impose fines of not greater than five thousand dollars ($5,000) per violation ***and require the licensee to reimburse the board for the costs of the administrative proceedings including consultant fees,*** upon a finding pursuant to disciplinary proceedings that the licensee has violated any provision of KRS 311.595 to 311.597 or duly-promulgated disciplinary regulation of the board.

(2) The board shall develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by a physician licensed by the board. The guidelines shall include investigation, inquiry, and hearing procedures which ensure that the process does not revictimize the alleged victim or cause harm if a physician is falsely accused.

(3) The board, the hearing officer, and investigators hired by the board shall receive training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedure in sex offense cases, and effective intervention with victims and offenders.

Section 7. KRS 311.571 is amended to read as follows:

(1) No applicant who is a graduate of a medical or osteopathic school located within the United States and its territories and protectorates or Canada shall be eligible for a regular license to practice medicine in the Commonwealth unless the applicant:

(a) Is able to understandably speak, read, and write the English language;

(b) Has graduated from an accredited college or university or has satisfactorily completed a collegiate course of study necessary for entry into an approved medical or osteopathic school or college;

(c) Has graduated from a prescribed course of instruction in a medical or osteopathic school or college situated in the United States or Canada and approved by the board;

(d) Has satisfactorily completed a prescribed course of postgraduate training of a duration to be established by the board in an administrative regulation promulgated in accordance with KRS Chapter 13A, after consultation with the University of Kentucky College of Medicine, the University of Louisville School of Medicine, and the Pikeville College School of Osteopathic Medicine;

(e) Has successfully completed[~~, in a single sitting,~~] an examination prescribed by the board;

(f) Has complied with the requirements of KRS 214.615(1); and

(g) Has fulfilled all other reasonable qualifications for regular licensure that the board may prescribe by regulation.

(2) No applicant who is a graduate of a medical or osteopathic school located outside the United States or Canada shall be eligible for a regular license to practice medicine in the Commonwealth unless the applicant:

(a) Is able to understandably speak, read, and write the English language;

(b) Has successfully completed a course of study necessary for entry into an approved medical or osteopathic school or college;

(c) Has graduated from a prescribed course of instruction in a medical or osteopathic school or college situated outside the United States or Canada and approved by the board or is a citizen of the United States and has been awarded a diploma by an approved medical or osteopathic school located within the United States or Canada as part of a program designed to allow for the transfer of students to such schools from schools located outside the United States or Canada;

(d) Has successfully completed[~~, in a single sitting,~~] an examination prescribed by the board;

(e) Has been certified by the educational commission for foreign medical graduates or by an approved United States specialty board;

(f) Has satisfactorily completed a prescribed course of postgraduate training of a duration to be established by the board in an administrative regulation promulgated in accordance with KRS Chapter 13A, after consultation with the University of Kentucky College of Medicine, the University of Louisville School of Medicine, and the Pikeville College School of Osteopathic Medicine;

(g) Has complied with the requirements of KRS 214.615(1); and

(h) Has fulfilled all other reasonable qualifications for regular licensure that the board may prescribe by regulation.

(3) No applicant shall be eligible for a limited license-institutional practice unless the applicant:

(a) Has fulfilled all the requirements for regular licensure as delineated in subsection (1) of this section; or

(b) Has fulfilled the requirements for regular licensure as delineated in paragraphs (a) through (e) and (h) of subsection (2) of this section and in addition has satisfactorily completed a prescribed course of postgraduate training of at least one (1) full year's duration approved by the board;

(c) Has complied with the requirements of KRS 214.615(1); and

(d) Has fulfilled all other reasonable qualifications for limited licensure that the board may prescribe by regulation.

(4) The board may grant an applicant a limited license-institutional practice for ***a renewable***[~~an unrenewable~~] period of one (1) year if the applicant:

(a) Has fulfilled the requirements for regular licensure as delineated in paragraphs (a), (b), (d), (e), and (h) of subsection (2) of this section;

(b) Has fulfilled the requirements for a limited license-institutional practice as indicated in subsection (3)(d) of this section;

(c) Has satisfactorily completed a prescribed course of postgraduate training of at least one (1) full year's duration approved by the board; and

(d) Has complied with the requirements of KRS 214.615(1).

(5) ***The board may grant an applicant a fellowship training license for a renewable period of one (1) year if the applicant:***

(a) Has been accepted for a fellowship approved by the administration of any of Kentucky's medical schools and conducted under the auspices of that medical school; or

(b) Has graduated from a medical school located outside the United States or Canada that has been approved by the board; and

1. Has been certified by the appropriate licensing authority in his or her home country in the subject specialty of the fellowship; and

2. Is able to demonstrate that he or she is a physician of good character and is in good standing in the country where he normally practices medicine.

(6) An applicant seeking regular licensure in the Commonwealth who was originally licensed in another state may obtain licensure in the Commonwealth without further testing and training if the applicant:

(a) Has been endorsed in writing by the applicant's original licensing state as being[~~ currently~~] licensed in good standing in that state; and

(b) Would have satisfied all the requirements for regular licensure described in the preceding subsections had the applicant sought original licensure in this state.

(7)[~~(6)~~] No applicant shall be granted licensure in the Commonwealth unless the applicant has successfully completed an examination prescribed by the board in accordance with any rules that the board may establish by regulation concerning passing scores, testing opportunities and test score recognition.

(8)[~~(7)~~] Notwithstanding any of the requirements for licensure established by subsections (1) to ***(7)***[~~(6)~~] of this section ***and after providing the applicant or reregistrant with reasonable notice of its intended action and after providing a reasonable opportunity to be heard***, the board may deny licensure to an applicant or the reregistrant of an inactive license without a prior ***evidentiary*** hearing upon a finding that the applicant or reregistrant has violated any provision of KRS 311.595 or 311.597 or is otherwise unfit to practice. Orders denying licensure may be appealed pursuant to KRS 311.593.

(9)[~~(8)~~] Notwithstanding any of the foregoing, the board may grant licensure to an applicant in extraordinary circumstances upon a finding by the board that based on the applicant's exceptional education, training, and practice credentials, the applicant's practice in the Commonwealth would be beneficial to the public welfare.

(10) Notwithstanding any provision of this section, the board may exercise its discretion to grant a visiting professor license to an applicant after considering the following:

(a) Whether the applicant meets the qualifications for a regular license;

(b) Whether the applicant is licensed to practice medicine in other states or in other countries; and

(c) The recommendation of the program director of an accredited medical school that confirms the applicant's employment as a visiting professor and that includes, if necessary, written justification for a waiver of the requirements specified in subsections (1) and (2) of this section.

Orders denying applications for a visiting professor license shall not be appealed under KRS 311.593.

Section 8. KRS 311.572 is amended to read as follows:

(1) The board may issue an order directing an applicant for a license or the holder of a license to show cause why the applicant should be granted a license or the licensee should not be disciplined, respectively, when:

(a) An applicant admits or is otherwise found to have committed an act which constitutes a violation of the provisions of this chapter; or

(b) A licensee admits or is otherwise found to have committed an act in violation of the provisions of this chapter in any document relating to the registration or reregistration of a license.

(2) The order shall be signed by an officer of the board and shall state those violations which the board believes to have been committed. The matter shall be assigned to a hearing panel and shall proceed in accordance with KRS 311.591. The burden of proof shall lie with the charged physician.

(3) The board ***may issue a provisional permit to practice medicine as provided in subsection (27) of Section 4 of this Act and the board*** shall not approve any application for licensure or application for reregistration of an inactive license ***or provisional permit*** until a final order on the matter has been issued.

Section 9. KRS 311.575 is amended to read as follows:

(1) Whenever, in the opinion of the ***executive director***[~~secretary~~], based upon verified information contained in the application, an applicant for a license to practice medicine or osteopathy is eligible therefor under subsections (1) and (2) of KRS 311.571, the ***executive director***[~~secretary~~] may issue to such applicant, on behalf of the board, a temporary permit which shall entitle the holder to practice medicine or osteopathy in this state for a maximum of six (6) months from date of issuance thereof unless the temporary permit is sooner canceled by the ***executive director***[~~secretary~~], who may cancel it at any time, without a hearing, for reasons deemed sufficient to him ***with appropriate consultation with the president***, and who shall cancel it immediately upon direction by the board or upon the board's denial of the holder's application for a regular license. The permit shall not be renewable.

(2) The ***executive director***[~~secretary~~] shall present to the board the application for a license made by the holder of the temporary permit. In the event the board issues a regular license to the holder of a temporary permit, the fee paid in connection with any temporary permit then in effect shall be applied upon the prescribed license fee.

(3) When the ***executive director***[~~secretary~~] cancels a temporary permit, he shall promptly notify, by certified United States mail, the holder of the temporary permit, at his last known address as reflected by the files of the board, and the temporary permit shall become terminated and of no further force and effect three (3) days after the giving of said notice to the holder.

Section 10. KRS 311.580 is amended to read as follows:

(1) Every certificate of regular license, limited license, ***fellowship training license, provisional permit,*** and temporary permit shall be in such form as is approved by the board or by the ***executive director***[~~secretary~~] thereof; provided, however, that each certificate shall be signed by the ***executive director***[~~secretary~~] and shall contain the date of issuance, the name of the person to whom issued***,*** and whether the holder is authorized to practice medicine or osteopathy.

(2) Limited license ***and fellowship training*** certificates, whether originals or renewals, shall expressly state the period therefor, which shall not be in excess of one (1) year, and shall expressly state the nature and place of work authorized thereunder.

(3) Temporary permits shall expressly state the date of issuance, that they shall be for a period of not more than six (6) months from date of issuance, and that they are subject to cancellation as provided by KRS 311.575.

Section 11. KRS 311.586 is amended to read as follows:

(1) Every physician who is practicing medicine or osteopathy in this state[~~ on September 1, 1972,~~] shall[~~, within ninety (90) days~~] report to the board the address or addresses at which he maintains an office, and every new licensee shall make the same report within ninety (90) days after commencing the practice of medicine or osteopathy in this state.

(2) Every physician who, after notifying the board of his ***official***[~~office~~] address or addresses, moves his office to a new address shall immediately notify the board of the change.

Section 12. KRS 311.590 is amended to read as follows:

(1) No person shall make any statement or submit any document, paper, or thing to the board, or to its ***executive director***[~~secretary~~], or to any county clerk, relating in any manner to issuance, registration, suspension, or revocation of any license or permit, knowing same to be false, forged, or fraudulent.

(2) No person shall engage in dishonesty, fraud, deceit, collusion, or conspiracy in connection with any examination, hearings, or disciplinary proceedings conducted by the board.

(3) No person shall make or issue any false or counterfeit certificate that purports to have been issued by the board, or by its ***executive director***[~~secretary~~], or forge the signature of any person thereon, or alter any such certificate that has been issued by the board or by its ***executive director***[~~secretary~~].

Section 13. KRS 311.591 is amended to read as follows:

(1) The president of the board shall divide the membership of the board, excluding himself, into two (2) panels of ***seven (7)***[~~six (6)~~] members, each panel to include ***at least*** one (1) consumer member. Each panel shall have the power to act as an inquiry or a hearing panel. The president shall not be a ***permanent*** member of either panel, but shall have the power to render the deciding vote whenever a tie vote is rendered by either panel ***and shall have the power to serve as a member of either panel when necessary to achieve a quorum by majority***.

(2) Grievances may be submitted by an individual (including board members), organization, or entity. Each grievance shall be investigated as necessary and the executive director shall assign each grievance to an inquiry panel. All inquiry panels and the executive director shall have the power to issue investigatory subpoenas for the appearance of any person or production of any record, document, or other item within the jurisdiction of the Commonwealth. The panel or executive director may seek enforcement of investigatory subpoenas and search warrants in the courts of the Commonwealth as may be necessary.

(3) Upon completion of its inquiry, the inquiry panel shall make a finding that:

(a) ***There is no evidence of a violation of any medical practice act***[~~The grievance is without merit~~] and no further action is necessary;

(b) ***There is insufficient evidence of a violation to warrant the issuance of a complaint, but that there is evidence of a practice or activity that requires modification and the panel may issue a letter of concern under subsection (22) of Section 4 of this Act. The letter of concern shall be a public document and may be used in future disciplinary actions against the physician;***

(c) The grievance discloses an instance of misconduct which does not warrant the issuance of a complaint; in these instances, the panel may admonish the physician for his misconduct; or

(d)[~~(c)~~]The grievance discloses one (1) or more violations of the provisions of this chapter which warrant the issuance of a complaint; in these instances, the panel shall cause a complaint to be prepared, signed by the presiding officer, which shall contain sufficient information to apprise the named physician of the general nature of the charges.

(4) The inquiry panel shall cause a complaint to be served on the charged physician by personal delivery or by certified mail to the physician's last address of which the board has record. The physician shall submit a response within thirty (30) days after service. Failure to submit a timely response or willful avoidance of service may be taken by the board as an admission of the charges.

(5) Upon the issuance of the complaint, the executive director shall assign the matter for an administrative hearing by a hearing panel. No member who served on the inquiry panel may also serve as a member of the hearing panel. The hearing panel or the hearing officer on behalf of the panel shall preside over all proceedings pursuant to the issuance of a

complaint.

(6) The board may promulgate administrative regulations regarding the informal disposition of any complaint, and an informal disposition may be made at any stage of the proceeding.

(7) Upon completion of an administrative hearing, the hearing panel shall issue a final order that:

(a) Dismisses the complaint upon a conclusion that the provisions of this chapter have not been violated;

(b) Finds a violation of the provisions of this chapter, but does not impose discipline because the panel does not believe discipline to be necessary under the circumstances; or

(c) Imposes discipline upon the licensee; in these instances, the panel may revoke, suspend, restrict, deny, or limit a license, or may reprimand ***a licensee*** or place a licensee on probation under terms the panel may establish to protect the licensee, his patients, or the general public. The hearing panel may impose a fine whenever it finds that a violation of this chapter has occurred. If the board substantiates that sexual contact occurred between the physician and the patient while the patient was under the care of or in a professional relationship with the physician, the physician's license may be revoked or suspended with mandatory treatment of the physician as prescribed by the board. The board may require the physician to pay a specified amount for mental health services for the patient which are needed as a result of the sexual contact. The hearing panel's order shall be considered the final order of the board regarding the matter.

(8) Regardless of the restrictions on public disclosure of information established in subsection ***(9)***[~~(10)~~] of this section, the board may order information derived from any investigation or inquiry be released to the physician licensure authority of another state or to any health care or mental health care facility licensed and regulated by the Commonwealth of Kentucky upon a showing that the information is necessary to determine the propriety of a physician practicing in a particular state or facility.

(9) The presiding officer at any proceeding held pursuant to a complaint or show cause order shall take whatever measures are necessary to protect the privacy interests of individuals other than the charged physician upon a showing that evidence is to be introduced, the public disclosure of which would constitute a clear invasion of personal privacy. It is the general policy of the Commonwealth that administrative proceedings should be open to the public. Therefore, in applying this subsection, the presiding officer shall balance the competing interests and employ the least restrictive measures available to protect the privacy interests involved.

SECTION 14. A NEW SECTION OF KRS 311.530 TO 311.620 IS CREATED TO READ AS FOLLOWS:

(1) When a hearing panel imposes discipline in a final order pursuant to KRS 13B.120 and subsection (7) of Section 13 of this Act, the panel may fix the appropriate sanction for the violation, but withhold imposition of the sanction under an order of probation for a period of not more than five (5) years, with the requirement that the physician fully comply with the terms and conditions specified by the panel as necessary for the protection of the public and rehabilitation of the physician's practice.

(2) If the board receives information that a licensee has violated a term or condition of an order of probation issued under subsection (1) of this section during the effective period of that order, the board shall investigate the allegations as necessary. The board shall have all of the powers outlined in subsection (2) of Section 13 of this Act and subsection (2) of Section 19 of this Act to conduct its investigation.

(3) Upon completion of its inquiry relating to a violation of probation, the hearing panel shall make a finding that:

(a) The investigation does not disclose a violation of the order of probation;

(b) The investigation discloses a violation of a term or condition of the order of probation but that revocation of probation and imposition of the previously fixed sanction may not be necessary for protection of the public, and the panel may admonish or issue a letter of concern to the physician stating its findings and cautioning that another violation shall result in revocation of probation and imposition of the previously fixed sanction; or

(c) The investigation discloses one (1) or more violations of the terms and conditions of the order of probation, and the panel shall cause a motion to revoke probation to be prepared and signed by the presiding officer. The motion shall identify the term or condition violated and include a general statement of the nature of the violation and shall set a date and time for a revocation hearing.

(4) The hearing panel shall cause the motion to revoke probation to be served on the physician by personal delivery or by certified mail to the last address on record with the board for the physician or the physician's representative.

(5) The hearing on the motion to revoke probation shall be conducted in accordance with KRS Chapter 13B, but the single issue to be decided shall be whether the physician has violated a term or condition of the order of probation. Any recommended order issued under KRS 13B.110 shall be limited to recommended findings of fact and recommended conclusions of law.

(6) Upon completion of the hearing on the motion to revoke probation, the hearing panel shall issue an order that:

(a) Denies the motion upon a conclusion that the order of probation has not been violated;

(b) Finds a violation of the order of probation but does not impose the previously fixed sanction and the panel may:

1. Modify the terms and conditions of probation to address issues presented during the hearing; or

2. Admonish the physician or issue a letter of concern to the physician; or

(c) Imposes the previously fixed sanction.

Section 15. KRS 311.592 is amended to read as follows:

(1) At any time when an inquiry panel has probable cause to believe that a physician has violated the terms of an *agreed* order *or violated the terms of a disciplinary order*[~~placing him on probation~~], or a physician's practice constitutes a danger to the health, welfare, and safety of his patients or the general public, the inquiry panel may issue an emergency order, in accordance with KRS 13B.125, suspending, limiting, or restricting the physician's license.

(2) *For the purposes of a hearing conducted under KRS 13B.125 on an emergency order issued under subsection (1) of this section, the findings of fact in the emergency order shall constitute a rebuttable presumption of substantial evidence of a violation of law that constitutes immediate danger to the health, welfare, or safety of patients or the general public. For the purposes of this hearing only, hearsay shall be admissible and may serve as a basis of the board's findings.*

(3) An emergency order as described in subsection (1) of this section shall not be issued unless grounds exist for the issuance of a complaint. The inquiry panel shall issue a complaint prior to the date of the emergency hearing or the emergency order shall become void.

(4)[~~(3)~~] An order of temporary suspension, restriction, or limitation shall not be maintained after a final order is served on the charged physician pursuant to the proceeding on the complaint. An appeal of an emergency order shall not prejudice the board from proceeding upon the complaint.

Section 16. KRS 311.595 is amended to read as follows:

If the power has not been transferred by statute to some other board, commission, or agency of this state, the board may deny an application or reregistration for a license; place a licensee on probation for a period not to exceed five (5) years; suspend a license for a period not to exceed five (5) years; limit or restrict a license for an indefinite period; or revoke any license heretofore or hereafter issued by the board, upon proof that the licensee has:

(1) Knowingly made or presented, or caused to be made or presented, any false, fraudulent, or forged statement, writing, certificate, diploma, or other thing, in connection with an application for a license or permit;

(2) Practiced, or aided or abetted in the practice of fraud, forgery, deception, collusion, or conspiracy in connection with an examination for a license;

(3) Committed, procured, or aided in the procurement of an unlawful abortion, including a partial-birth abortion;

(4) Entered a guilty or nolo contendere plea, or been convicted, by any court within or without the Commonwealth of Kentucky, of committing an act which is, or would be a felony under the laws of the Commonwealth of Kentucky, or of the United States, or of any crime involving moral turpitude which is a misdemeanor, under the laws;

(5) Been convicted of a misdemeanor offense under KRS Chapter 510 involving a patient, or a felony offense under KRS Chapter 510, 530.064, or 531.310, or been found by the board to have had sexual contact as defined in KRS 510.010(7) with a patient while the patient was under the care of the physician;

(6) Become addicted to a controlled substance;

(7) Become a chronic or persistent alcoholic;

(8) *Been unable or is unable to practice medicine according to acceptable and prevailing standards of care by reason of mental or physical illness or other condition including but not limited to physical deterioration that adversely affects cognitive, motor, or perceptive skills, or by reason of an extended absence from the active practice of medicine*[~~Developed a physical or mental disability, or other condition, that continued practice is dangerous to patients or to the public~~];

(9) Engaged in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public or any member thereof;

(10) Knowingly made, or caused to be made, or aided or abetted in the making of, a false statement in any document executed in connection with the practice of his profession;

(11) Employed, as a practitioner of medicine or osteopathy in the practice of his profession in this state, any person not duly licensed or otherwise aided, assisted, or abetted the unlawful practice of medicine or osteopathy or any other healing art;

(12) Violated or attempted to violate, directly or indirectly, or assisted in or abetted the violation of, or conspired to violate any provision or term of any medical practice act, including, but not limited to, the code of conduct promulgated by the board under KRS 311.601 or any other valid regulation of the board;

(13) Violated any agreed order, letter of agreement, *final order, or emergency* order[~~of suspension, or the terms or conditions of any order of probation,~~] issued by the board;

(14) Engaged in or attempted to engage in the practice of medicine or osteopathy under a false or assumed name, or impersonated another practitioner of a like, similar, or different name;

(15) Obtained a fee or other thing of value on the fraudulent representation that a manifestly incurable condition could be cured;

(16) Willfully violated a confidential communication;

(17) Had his license to practice medicine or osteopathy in any other state, territory, or foreign nation revoked, suspended, restricted, or limited or has been subjected to other disciplinary action by the licensing authority thereof. This subsection shall not require relitigation of the disciplinary action;

(18) Failed or refused, without legal justification, to practice medicine in a rural area of this state in violation of a valid medical scholarship loan contract with the trustees of the rural Kentucky medical scholarship fund;

(19) Given or received, directly or indirectly, from any person, firm, or corporation, any fee, commission, rebate, or other form of compensation for sending, referring, or otherwise inducing a person to communicate with a person licensed under KRS 311.530 to 311.620 in his professional capacity or for any professional services not actually and personally rendered; provided, however, that nothing contained in this subsection shall prohibit persons holding valid and current licenses under KRS 311.530 to 311.620 from practicing medicine in partnership or association or in a professional service corporation authorized by KRS Chapter 274, as now or hereinafter amended, or from pooling, sharing, dividing, or apportioning the fees and moneys received by them or by the partnership, corporation, or association in accordance with the partnership agreement or the policies of the board of directors of the corporation or association. Nothing contained in this subsection shall abrogate the right of two (2) or more persons holding valid and current licenses under KRS 311.530 to 311.620 to receive adequate compensation for concurrently rendering professional care to a single patient and divide a fee, if the patient has full knowledge of this division and if the division is made in proportion to the services performed and responsibility assumed by each;

(20) Been removed, suspended, expelled, or disciplined by any professional medical association or society when the action was based upon what the association or society found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provision of KRS Chapter 311. This subsection shall not require relitigation of the disciplinary action; or

(21) Been disciplined by a licensed hospital or medical staff of the hospital, including removal, suspension, limitation of hospital privileges, failing to renew privileges for cause, resignation of privileges under pressure or investigation, or other disciplinary action if the action was based upon what the hospital or medical staff found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provisions of KRS Chapter 311. This subsection shall not require relitigation of the disciplinary action.

Section 17. KRS 311.597 is amended to read as follows:

As used in KRS 311.595(9), "dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public or any member thereof" shall include, but not be limited to, the following acts by a licensee:

(1) Prescribes or dispenses any medication:

(a) With the intent or knowledge that a medication will be used or is likely to be used other than medicinally or for an accepted therapeutic purpose***;***~~[,]~~

(b) With the intent to evade any law with respect to sale, use, or disposition of the medication***;***~~[,]~~

(c) For the licensee's personal use or for the use of his immediate family when the licensee knows or has reason to know that an abuse of ***a*** controlled ***substance***~~[substance(s)]~~ is occurring, or may result from such a practice***;***~~[, or]~~

(d) In such amounts that the licensee knows or has reason to know, under the attendant circumstances, that said amounts so prescribed or dispensed are excessive under accepted and prevailing medical practice standards***; or***

(e) In response to any communication transmitted or received by computer or other electronic means, when the licensee fails to take the following actions to establish and maintain a proper physician-patient relationship:

1. Verification that the person requesting medication is in fact who the patient claims to be;

2. Establishment of a documented diagnosis through the use of accepted medical practices; and

3. Maintenance of a current medical record.

For the purposes of this paragraph, an electronic, on-line, or telephonic evaluation by questionnaire is inadequate for the initial evaluation of the patient or for any follow-up evaluation.

(2) Issues, publishes, or makes oral or written, representations in which grossly improbable or extravagant statements are made which have a tendency to deceive or defraud the public, or a member thereof, including, but not limited to:

(a) Any representation in which the licensee claims that he can cure or treat diseases, ailments, or infirmities by any method, procedure, treatment, or medicine which the licensee knows or has reason to know has little or no therapeutic value;

(b) Represents or professes or holds himself out as being able and willing to treat diseases, ailments, or infirmities under a system or school of practice:

1. Other than that for which he holds a certificate or license granted by the board, or

2. Other than that for which he holds a degree or diploma from a school otherwise recognized as accredited by the board, or

3. Under a school or system which he professes to be self-taught.

For purposes of this subsection, actual injury to a patient need not be established.

(3) A serious act, or a pattern of acts committed during the course of his medical practice which, under the attendant circumstances, would be deemed to be gross incompetence, gross ignorance, gross negligence, or malpractice.

(4) Conduct which is calculated or has the effect of bringing the medical profession into disrepute, including, but not limited to, any departure from, or failure to conform to the standards of acceptable and prevailing medical practice within the Commonwealth of Kentucky, and any departure from, or failure to conform to the principles of medical ethics of the American Medical Association or the code of ethics of the American Osteopathic Association. For the purposes of this subsection, actual injury to a patient need not be established.

(5) Failure by a licensee to report a known or observed violation of KRS Chapter 311 by another licensee as described in KRS 311.606.

SECTION 18. A NEW SECTION OF KRS 311.530 TO 311.620 IS CREATED TO READ AS FOLLOWS:

(1) When a hearing or inquiry panel receives information that a physician has not been engaged in the active practice of medicine for at least two (2) years, the panel may order the physician to successfully complete a board-approved clinical competency examination or a board-approved clinical skills assessment program at the expense of the physician. The panel shall review the results of the examination or assessment and determine whether the physician may resume the practice of medicine without undue risk or danger to patients or the public.

(2) Failure of a physician to successfully complete the clinical competency examination or the clinical skills assessment when directed shall constitute an admission that the physician is unable to practice medicine according to accepted and prevailing standards, unless the failure was due to circumstances beyond the control of the physician. The failure shall constitute a default and a final order may be entered without additional testimony or without presentation of additional evidence.

(3) A physician whose license has been suspended, limited, restricted, or revoked under this section or subsection (8) of Section 16 of this Act shall be afforded an opportunity at reasonable intervals to demonstrate that he or she has the competency and skill to resume the practice of medicine.

Section 19. KRS 311.605 is amended to read as follows:

(1) [~~Every county board of health shall, at such times as are fixed by the board, report to the board the name and address of each person believed to be engaged in the practice of medicine or osteopathy, as defined by KRS 311.550, within their respective jurisdictions.~~]The county boards of health shall[~~ also~~] report to the board and to the county and Commonwealth's attorneys of their respective counties all violations of KRS 311.550 to 311.620 and shall assist in the enforcement thereof.

(2) For the purpose of enforcing the provisions of KRS 311.550 to 311.620, agents of the board shall have the power and authority to administer oaths, to enter upon premises at all times for the purpose of making inspections, to seize evidence, including, but not limited to, psychiatric or nonpsychiatric records, to interrogate all persons, and to require the production of books, papers, documents, or other evidence. The term "premises" as used in this subsection shall include physician offices and all pharmacies and health care facilities licensed or regulated by the Commonwealth. Agents of the board may only require pharmacies to produce prescription records and health care facilities to produce records of patients or physician peer reviews. Such inspection or seizure of peer review records shall not affect the confidential nature of those records as provided in KRS 311.377, and the board shall maintain such peer review records so as to protect the confidentiality thereof.

(3) The board may institute, in its own name, proceedings to temporarily or permanently restrain and enjoin *the practice of medicine by:*

(a) An individual who is not licensed to practice medicine or who is not involved in conduct specifically exempted from the requirements of this chapter; or

(b) An individual who was previously licensed by the board to practice medicine but is currently practicing medicine in violation of an emergency order of restriction or suspension[~~violations of KRS 311.550 to 311.620~~], regardless of whether the *respondent*[~~defendant~~] has been convicted for violation of the penal provisions thereof*.*

(4) A petition for injunction filed under subsection (3) of this section may be filed in Jefferson Circuit Court, in the county of residence of the respondent, or in the county in which the acts are alleged to have been committed, and *the board* shall not be required to pay any costs or filing fees or furnish any bond in connection therewith.

(a) In the petition it shall be sufficient to charge that the respondent on a day certain in a named county engaged in the practice of medicine in violation of subsection (3)(a) or (b) of this section. No showing of damage or injury shall be required.

(b) Issuance of an injunction shall enjoin any act specified under subsection (3)(a) or (b) of this section and shall remain in place as long as necessary to prevent the unlawful practice of medicine.

(c) Issuance of an injunction shall not relieve the respondent from being subject to any other proceeding under law provided by this chapter or otherwise.

(d) Violation of injunctions and restraining orders shall be punished as a contempt without the intervention of a jury.

Section 20. KRS 311.616 is amended to read as follows:

(1) The board may establish *by contract or otherwise* an impaired physicians *program*[~~committee, to be designated as the Kentucky Committee on Impaired Physicians,~~] to promote the early identification, intervention, treatment, and rehabilitation of physicians who may be impaired by reason of illness, alcohol or drug abuse, or as a result of any physical or mental condition.

(2) The board may promulgate administrative regulations under the provisions of KRS Chapter 13A to implement any program formed under this section and may expend any funds necessary to provide for operational expenses of a program formed under this section.

Section 21. KRS 311.618 is amended to read as follows:

Any member of the *program formed under Section 20 of this Act*[~~Kentucky Committee on Impaired Physicians~~], as well as any administrator, staff member, consultant, agent, or employee of the *program*[~~committee~~] acting within the scope of their duties and without actual malice, and all other persons who furnish information to the *program*[~~committee~~] in good faith and without actual malice, shall not be liable for any claim or damages as a result of any statement, decision, opinion, investigation, or action taken by the *program*[~~committee~~], or by any individual member of the *program*[~~committee~~].

Section 22. KRS 311.619 is amended to read as follows:

(1) All information, interviews, reports, statements, memoranda, or other documents furnished to or produced by the *program formed under Section 20 of this Act*[~~Kentucky Committee on Impaired Physicians~~], as well as all communications to or from the *program*[~~committee~~], and any findings, conclusions, interventions, treatment, or rehabilitation, or other proceedings of the *program*[~~committee~~] which in any way pertain or refer to a physician who may be, or who is actually, impaired shall be privileged and confidential.

(2) All records and proceedings of the *program*[~~committee~~] which pertain or refer to a physician who may be, or who actually is, impaired shall be privileged and confidential and shall be used by the *program*[~~committee~~] and its members only in the exercise of the proper function of the *program*[~~committee~~] and shall not be considered public records nor shall they be subject to court subpoena or subject to discovery or introduction as evidence in any civil, criminal, or administrative proceedings except as described in subsection (3) of this section.

(3) The *program*[~~committee~~] may disclose information relative to an impaired physician only:

  (a) When it is essential to disclose such information to further the intervention, treatment, or rehabilitation needs of the impaired physician, and then only to those persons or organizations with a need to know;

  (b) When its release is authorized in writing by the impaired physician; or

  (c) When the *program*[~~committee~~] is required to make a report to the board.

(4) The program shall report any suspected violation of Section 16 of this Act to the board.

SECTION 23. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

As used in Sections 23 to 33 of this Act:

(1) "Board" means the Kentucky Board of Medical Licensure;

(2) "Physician assistant" means a person who:

  (a) Has graduated from a physician assistant or surgeon assistant program accredited by the Accreditation Review Commission on Education for Physician Assistants or its successor agencies and has passed the certifying examination administered by the National Commission on Certification of Physician Assistants or its successor agencies; or

  (b) Possesses a current physician assistant certificate issued by the board prior to the effective date of this Act;

(3) "Supervising physician" means a physician licensed by the board who supervises one (1) or more physician assistants;

(4) "Supervising physician in anesthesia" means a physician licensed by the board who has completed postgraduate training in anesthesiology at an anesthesiology program accredited by the Accreditation Council for Graduate Medical Education or its equivalent; and

(5) "Supervision" means oversight of the activities of and acceptance of responsibility for the medical services performed by a physician assistant in accordance with the provisions of this chapter.

SECTION 24. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) The board shall promulgate administrative regulations in accordance with KRS Chapter 13A relating to the certification and regulation, including temporary certification, of physician assistants.

(2) The board shall establish a nine (9) member Physician Assistant Advisory Committee that shall review and make recommendations to the board regarding all matters relating to physician assistants that come before the board, including but not limited to:

  (a) Applications for physician assistant certification;

  (b) Certification renewal requirements;

  (c) Approval of supervising physicians;

(d) Disciplinary actions; and

(e) Promulgation and revision of administrative regulations.

(3) Members of the Physician Assistant Advisory Committee shall be appointed by the board for four (4) year terms and shall consist of:

(a) Five (5) practicing physician assistants;

(b) Two (2) supervising physicians;

(c) One (1) member of the board; and

(d) One (1) citizen at large.

(4) The chairperson of the committee shall be elected by a majority vote of the committee members and shall be responsible for presiding over meetings that shall be held on a regular basis.

(5) Members shall receive reimbursement for expenditures relating to attendance at committee meetings consistent with state policies for reimbursement of travel expenses for state employees.

(6) Nothing in this chapter shall be construed to require certification of a physician assistant student enrolled in a physician assistant or surgeon assistant program accredited by the Accreditation Review Commission on Education for Physician Assistants or its successor agencies or of a physician assistant employed in the service of the federal government while performing duties relating to that employment.

SECTION 25. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) To be certified by the board as a physician assistant, an applicant shall:

(a) Submit a completed application form with the required fee;

(b) Be of good character and reputation;

(c) Be a graduate of an approved program; and

(d) Have passed an examination approved by the board within three (3) attempts.

(2) A physician assistant who are authorized to practice in another state and who is in good standing may apply for certification by endorsement from the state of his or her credentialing if that state has standards substantially equivalent to those of this Commonwealth.

(3) A physician assistant's certification shall be renewed upon fulfillment of the following requirements:

(a) The holder shall be of good character and reputation;

(b) The holder shall provide evidence of completion during the previous two (2) years of a minimum of one hundred (100) hours of continuing education approved by the American Medical Association, the American Osteopathic Association, the American Academy of Family Practice, the American Academy of Physician Assistants, or by another entity approved by the board;

(c) The holder shall provide evidence of completion of a continuing education course on the human immunodeficiency virus and acquired immunodeficiency syndrome in the previous ten (10) years that meets the requirements of KRS 214.610; and

(d) The holder shall provide proof of current certification with the National Commission on Certification of Physician Assistants.

SECTION 26. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) The examination of the National Commission on Certification of Physician Assistants for certification as a physician assistant shall be approved by the board.

(2) Educational and training programs approved by the board shall include physician assistant programs that are accredited by the Accreditation Review Commission on Education for Physician Assistants.

(3) Training programs for the provision of general or regional anesthesia shall be accredited by the Commission on Allied Health Education and Accreditation or the Commission on Accreditation of Health Education Programs.

(4) A trainee enrolled in an approved program shall be supervised and the training program shall be responsible for the services provided by the trainee. A trainee shall have the same scope of practice as a physician assistant and shall not be considered to be practicing without authorization while enrolled in a training program.

SECTION 27. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "medical emergency" means a real and substantial threat to public health or the health of an individual as determined by the executive director of the board that requires additional professional resources.

(2) In a medical emergency, the board may approve an additional physician assistant for a supervising physician practicing in this Commonwealth for a period not to exceed thirty (30) days who:

(a) Submits satisfactorily completed forms to the board; and

(b) Is credentialed and in good standing in this Commonwealth.

(3) In a medical emergency, the board may issue an emergency permit to a physician assistant who:

(a) Is credentialed and in good standing in another state or Canadian province;

(b) Submits satisfactorily completed forms to the board; and

(c) Based on verifiable information, meets the requirements for regular certification under Section 25 of this Act.

(4) An emergency permit:

(a) Shall be valid for a period of time not to exceed thirty (30) days;

(b) Shall not be renewed or reissued and shall be immediately canceled if a medical emergency no longer exists;

(c) May be canceled by the executive director upon reasonable cause without a prior hearing; and

(d) Shall not authorize a physician assistant to practice beyond a specified geographical area, beyond the scope of practice encompassed by the medical emergency, or without the supervision of a supervising physician.

SECTION 28. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

The board may revoke, suspend, deny, decline to renew, limit, or restrict the certification of a physician assistant, or may reprimand or place a physician assistant on probation for no more than five (5) years if the board determines, after giving notice and providing an opportunity for a hearing pursuant to KRS Chapter 13B, that a physician assistant has:

(1) Knowingly made or presented or caused to be made or presented any false, fraudulent, or forged statement, writing, certificate, diploma, or other document relating to an application for certification;

(2) Practiced, aided, or abetted in the practice of fraud, forgery, deception, collusion, or conspiracy relating to an examination for certification;

(3) Been convicted by any court of a misdemeanor offense involving moral turpitude or been convicted of an act that is or would be a felony under the laws of the Commonwealth of Kentucky or of the United States;

(4) Become addicted to or is an abuser of alcohol, drugs, or any illegal substance;

(5) Developed a physical or mental disability or other condition that presents a danger in continuing to practice medicine to patients, the public, or other health care personnel;

(6) Knowingly made or caused to be made or aided or abetted in the making of a false statement in any document executed in connection with the practice of medicine or osteopathy;

(7) Performed any act or service as a physician assistant without a designated supervising physician;

(8) Exceeded the scope of medical services described by the supervising physician in the application required under Section 29 of this Act;

(9) Exceeded the scope of practice for which the physician assistant was credentialed by the governing board of a hospital or licensed health care facility under Sections 30 and 31 of this Act;

(10) Aided, assisted, or abetted the unlawful practice of medicine or osteopathy or any healing art including the unlawful practice of physician assistants;

(11) Willfully violated a confidential communication;

(12) Performed the services of a physician assistant in an unprofessional, incompetent, or grossly or chronically negligent manner;

(13) Been removed, suspended, expelled, or placed on probation by any health care facility or professional society for unprofessional conduct, incompetence, negligence, or violation of any provision of this section or Section 31 or 33 of this Act;

(14) Violated any applicable provision of administrative regulations relating to physician assistant practice;

(15) Violated any term of probation or other discipline imposed by the board; or

(16) Failed to complete the required number of hours of approved continuing education.

SECTION 29. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A physician shall not supervise a physician assistant without approval of the board. Failure to obtain board approval as a supervising physician or failure to comply with the requirements of Sections 23 to 33 of this Act or related administrative regulations shall be considered unprofessional conduct and shall be subject to disciplinary action by the board that may include revocation, suspension, restriction, or placing on probation the supervising physician's right to supervise a physician assistant.

(2) To be approved by the board as a supervising physician, a physician shall:

(a) Be currently licensed and in good standing with the board and maintain a practice primarily within this Commonwealth;

(b) Submit a completed application and the required fee to the board. The application shall include but is not limited to:

1. A description of the nature of the physician's practice;

2. A statement of assurance by the supervising physician that the scope of medical services and procedures described in the application or in any supplemental information shall not exceed the normal scope of *practice of the supervising physician;*

3. A description of the means by which the physician shall maintain communication with the physician assistant when they are not in the same physical location;

4. The name, address, and area of practice of one (1) or more physicians who agree in writing to accept responsibility for supervising the physician assistant in the absence of the supervising physician; and

5. A description of the scope of medical services and procedures to be performed by the physician assistant for which the physician assistant has been trained in an approved program; and

(c) Prior to performing any service or procedure beyond those described in the application submitted to the board under subsection (2)(b) of this section, supplement that application with information that includes but is not limited to:

1. A description of the additional service or procedure;

2. A description of the physician assistant's education, training, experience, and institutional credentialing;

3. A description of the level of supervision to be provided for the additional service or procedure; and

4. The location where the additional service or procedure will be provided.

(3) A physician may enter into supervision agreements with a maximum of four (4) physician assistants but shall not supervise more than two (2) physician assistants at any one (1) time. Application for board approval to be a supervising physician shall be obtained individually for each physician assistant.

(4) The board may impose restrictions on the scope of practice of a physician assistant or on the methods of supervision by the supervising physician.

SECTION 30. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

A supervising physician shall:

(1) Restrict the services of a physician assistant to services within the physician assistant's scope of practice and to the provisions of Sections 31 to 33 of this Act. Services may also be specifically limited by the board;

(2) Prohibit a physician assistant from prescribing or dispensing controlled substances;

(3) Inform all patients in contact with a physician assistant of the status of the physician assistant;

(4) Post a notice stating that a physician assistant practices medicine or osteopathy in all locations where the physician assistant may practice;

(5) Require a physician assistant to wear identification that clearly states that he or she is a physician assistant;

(6) Prohibit a physician assistant from independently billing any patient or other payor for services rendered by the physician assistant;

(7) If necessary, participate with the governing body of any hospital or other licensed health care facility in a credentialing process established by the facility;

(8) Not require a physician assistant to perform services or other acts that the physician assistant feels incapable of carrying out safely and properly;

(9) Maintain adequate, active, and continuous supervision of a physician assistant's activities to assure that the physician assistant is performing as directed and complying with the requirements of Sections 23 to 33 of this Act and all related administrative regulations;

(10) Sign all records of service rendered by a physician assistant in a timely manner as certification that the physician assistant performed the services as delegated;

(11) (a) Reevaluate the reliability, accountability, and professional knowledge of a physician assistant two (2) years after the physician assistant's original certification in this Commonwealth and every two (2) years thereafter; and

(b) Based on the reevaluation, recommend approval or disapproval of certification or recertification to the board; and

(12) Notify the board within three (3) business days if the supervising physician:

(a) Ceases to supervise or employ the physician assistant; or

(b) Believes in good faith that a physician assistant violated any disciplinary rule of Sections 23 to 33 of this Act or related administrative regulations.

SECTION 31. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A physician assistant may perform medical services and procedures within the scope of medical services and procedures described in the initial or supplemental application received by the board under Section 29 of this Act.

(2) A physician assistant shall be considered an agent of the supervising physician in performing medical services and procedures described in the initial or supplemental application received by the board under Section 29 of this Act.

(3) A physician assistant may initiate evaluation and treatment in emergency situations without specific approval.

(4) A physician assistant may prescribe and administer all nonscheduled legend drugs and medical devices as delegated by the supervising physician. A physician assistant who is delegated prescribing authority may request, receive, and distribute professional sample drugs to patients.

(5) A physician assistant shall not submit direct billing for medical services and procedures performed by the physician assistant.

(6) A physician assistant may perform local infiltrative anesthesia under the provisions of subsection (1) of this section, but a physician assistant shall not administer or monitor general or regional anesthesia unless the requirements of Section 33 of this Act are met.

(7) A physician assistant may perform services in the offices or clinics of the supervising physician. A physician may also render services in hospitals or other licensed health care facilities only with written permission of the facility's governing body, and the facility may restrict the physician assistant's scope of practice within the facility as deemed appropriate by the facility.

(8) A physician assistant shall not be authorized for the independent practice of medicine or osteopathy.

SECTION 32. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A supervising physician who uses the services of a physician assistant in an office or clinic separate from the physician's primary office shall submit for board approval a specific written request that describes the services to be provided by the physician assistant in the separate office or clinic, the distance between the primary office and the separate location, and the means and availability of direct communication at all times with the supervising physician.

(2) A physician assistant shall not practice medicine or osteopathy in an office, clinic, or separate location from the supervising physician unless the physician assistant has two (2) continuous years of experience in a non-separate location.

(3) Except as provided by Section 33 of this Act, a physician assistant may perform services when the supervising physician is not physically present in the supervising physician's office or clinic when a reliable means of direct communication with the supervising physician is available at all times.

(4) Except as provided by Section 33 of this Act, a physician assistant may perform services when the supervising physician is not physically present in a hospital or other licensed health care facility when a reliable means of direct communication with the supervising physician is available at all times and the hospital or facility has given specific approval for the provision of physician assistant services without the physical presence of the supervising physician.

SECTION 33. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A physician assistant who was practicing as an anesthesiology assistant in Kentucky prior to the effective date of this Act, may continue to practice if the physician assistant:

(a) Met the practice, education, training, and certification requirements specified in Sections 25 and 26 of this Act;

(b) Is a graduate of an approved program accredited by the Commission on Allied Health Education and Accreditation or the Commission on Accreditation of Health Education Programs that is specifically designed to train an individual to administer general or regional anesthesia; and

(c) Is employed by a supervising physician in anesthesia.

(2) A physician assistant who has not practiced as an anesthesiology assistant in Kentucky prior to the effective date of this Act, shall meet the following requirements prior to practicing as an anesthesiology assistant:

(a) Graduation from an approved four (4) year program as specified in subsection (1)(b) of this section and graduation from another two (2) year approved and accredited program that consists of academic and clinical training in anesthesiology;

(b) Compliance with the practice, education, training, and certification requirements specified in Sections 25 and 26 of this Act; and

(c) Employment with a supervising physician in anesthesia.

(3) A physician assistant practicing as an anesthesiology assistant shall not administer or monitor general or regional anesthesia unless the supervising physician in anesthesia:

(a) Is physically present in the room during induction and emergence;

(b) Is not concurrently performing any other anesthesiology procedure; and

(c) Is available to provide immediate physical presence in the room.

Section 34. KRS 217.015 is amended to read as follows:

For the purposes of KRS 217.005 to 217.215:

(1) "Advertisement" means all representations, disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of food, drugs, devices, or cosmetics;

(2) "Bread" and "enriched bread" mean only the foods commonly known and described as white bread, white rolls, white buns, enriched white bread, enriched rolls, and enriched white buns, as defined under the federal act;

(3) "Cabinet" means the Cabinet for Health Services or its designee;

(4) "Color" means but is not limited to black, white, and intermediate grays;

(5) "Color additive" means a material that:

(a) Is a dye, pigment, or other substance made by a process of synthesis or similar artifice, or extracted, isolated, or otherwise derived, with or without intermediate or final change of identity, from a vegetable, animal, mineral, or other source. Nothing in this paragraph shall be construed to apply to any pesticide chemical, soil or plant nutrient, or other agricultural chemical solely because of its effect in aiding, retarding, or otherwise affecting, directly or indirectly, the growth or other natural physiological process of produce of the soil and thereby affecting its color, whether before or after harvest; or

(b) When added or applied to a food, drug, or cosmetic, or to the human body or any part thereof, is capable, alone or through reaction with another substance, of imparting color. "Color additive" does not include any material that has been or may in the future be exempted under the federal act;

(6) "Contaminated with filth" means any food, drug, device, or cosmetic that is not securely protected from dust, dirt, and as far as may be necessary by all reasonable means, from all foreign or injurious contaminants;

(7) "Cosmetic" means:

(a) Articles intended to be rubbed, poured, sprinkled, sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(b) Articles intended for use as a component of those articles, except that the term shall not include soap;

(8) "Device," except when used in subsection (48) of this section, KRS 217.035(6), KRS 217.065(3), KRS 217.095(3), and KRS 217.175(10), means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended:

(a) For use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or

(b) To affect the structure or any function of the body of man or other animals;

(9) "Dispense" means to deliver a drug or device to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the packaging, labeling, or compounding necessary to prepare the substance for that delivery;

(10) "Dispenser" means a person who lawfully dispenses a drug or device to or for the use of an ultimate user;

(11) "Drug" means:

(a) Articles recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or any supplement to any of them;

(b) Articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals;

(c) Articles, other than food, intended to affect the structure or any function of the body of man or other animals; and

(d) Articles intended for use as a component of any article specified in this subsection but does not include devices or their components, parts, or accessories;

(12) "Enriched," as applied to flour, means the addition to flour of vitamins and other nutritional ingredients necessary to make it conform to the definition and standard of enriched flour as defined under the federal act;

(13) "Environmental Pesticide Control Act of 1972" means the Federal Environmental Pesticide Control Act of 1972, Pub. L. 92-516, and all amendments thereto;

(14) "Fair Packaging and Labeling Act" means the Fair Packaging and Labeling Act as it relates to foods and cosmetics, 15 U.S.C. secs. 1451 et seq., and all amendments thereto;

(15) "Federal act" means the Federal Food, Drug and Cosmetic Act, 21 U.S.C. secs. 301 et seq., 52 Stat. 1040 et seq., or amendments thereto;

(16) "Filled milk" means any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, frozen, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, except the fat or oil of contained eggs and nuts and the fat or oil of substances used for flavoring purposes only, so that the resulting product is an imitation or semblance of milk, cream, skimmed milk, ice cream mix, ice cream, or frozen desserts, whether or not condensed, evaporated, concentrated, frozen, powdered, dried, or desiccated, whether in bulk or in containers, hermetically sealed or unsealed. This definition does not mean or include any milk or cream from which no part of the milk or butter fat has been extracted, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added any substance rich in vitamins, nor any distinctive proprietary food compound not readily mistaken for milk or cream or for condensed, evaporated, concentrated, powdered, dried, or desiccated milk or cream, if the compound is prepared and designed for the feeding of infants or young children, sick or infirm persons, and customarily used on the order of a physician, and is packed in individual containers bearing a label in

bold type that the contents are to be used for those purposes; nor shall this definition prevent the use, blending, or compounding of chocolate as a flavor with milk, cream, or skimmed milk, desiccated, whether in bulk or in containers, hermetically sealed or unsealed, to or with which has been added, blended or compounded no other fat or oil other than milk or butter fat;

(17) "Flour" means only the foods commonly known as flour, white flour, wheat flour, plain flour, bromated flour, self-rising flour, self-rising white flour, self-rising wheat flour, phosphated flour, phosphated white flour, and phosphated wheat flour, defined under the federal act;

(18) "Food" means:

- (a) Articles used for food or drink for man or other animals;
- (b) Chewing gum; and
- (c) Articles used for components of any such article;

(19) "Food additive" means any substance the intended use of which results or may be reasonably expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristics of any food, including any substance intended for use in producing, manufacturing, packing, processing, preparing, treating, packaging, transporting, or holding food; and including any source of radiation intended for any of these uses, if the substance is not generally recognized, among experts qualified by scientific training and experience to evaluate its safety, as having been adequately shown through scientific procedures or, in the case of a substance used in a food prior to January 1, 1958, through either scientific procedures or experience based on common use in food to be safe under the conditions of its intended use; except that the term does not include:

- (a) A pesticide chemical in or on a raw agricultural commodity;
- (b) A pesticide chemical to the extent that it is intended for use or is used in the production, storage, or transportation of any raw agricultural commodity;
- (c) A color additive; or
- (d) Any substance used in accordance with a sanction or approval granted prior to the enactment of the Food Additives Amendment of 1958, pursuant to the federal act; the Poultry Products Inspection Act, 21 U.S.C. secs. 451 et seq.; or the Meat Inspection Act of 1907; and amendments thereto;

(20) "Food processing establishment" means any commercial establishment in which food is manufactured, processed, or packaged for human consumption, but does not include retail food establishments;

(21) "Food service establishment" means any fixed or mobile commercial establishment that engages in the preparation and serving of ready-to-eat foods in portions to the consumer, including, but not limited to: restaurants; coffee shops; cafeterias; short order cafes; luncheonettes; grills; tea rooms; sandwich shops; soda fountains; taverns; bars; cocktail lounges; nightclubs; roadside stands; industrial feeding establishments; private, public or nonprofit organizations or institutions routinely serving food; catering kitchens; commissaries; charitable food kitchens; or similar places in which food is prepared for sale or service on the premises or elsewhere with or without charge. It does not include food vending machines, establishments serving beverages only in single service or original containers, or retail food stores which only cut, slice, and prepare cold-cut sandwiches for individual consumption;

(22) "Food storage warehouse" means any establishment in which food is stored for subsequent distribution;

(23) "Immediate container" does not include package liners;

(24) "Imminent health hazard" means a significant threat or danger to health that is considered to exist when there is evidence sufficient to show that a product, practice, circumstance, or event creates a situation that requires immediate correction or cessation of operation to prevent illness or injury based on:

- (a) The number of potential illnesses or injuries; or
- (b) The nature, severity, and duration of the anticipated illness or injury;

(25) "Interference" means threatening or otherwise preventing the performance of lawful inspections or duties by agents of the cabinet during all reasonable times of operation;

(26) "Label" means a display of written, printed, or graphic matter upon the immediate container of any article; and a requirement made by or under authority of KRS 217.005 to 217.215 that any word, statement, or other information appearing on the label shall not be considered to be complied with unless the word, statement, or other information also appears on the outside container or wrapper, if any there be, of the retail package of the article, or is easily legible through the outside container or wrapper;

(27) "Labeling" means all labels and other written, printed, or graphic matter:

- (a) Upon an article or any of its containers or wrappers; or
- (b) Accompanying the article;

(28) "Legend drug" means a drug defined by the Federal Food, Drug and Cosmetic Act, as amended, and under which definition its label is required to bear the statement "Caution: Federal law prohibits dispensing without prescription.";

(29) "Meat Inspection Act" means the Federal Meat Inspection Act, 21 U.S.C. secs. 71 et seq., 34 Stat. 1260 et seq., including any amendments thereto;

(30) "New drug" means:

(a) Any drug the composition of which is such that the drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety of drugs as safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

(b) Any drug the composition of which is such that the drug, as a result of investigations to determine its safety for use under prescribed conditions, has become so recognized, but which has not, otherwise than in the investigations, been used to a material extent or for a material time under the conditions;

(31) "Official compendium" means the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, official national formulary, or any supplement to any of them;

(32) "Person" means an individual, firm, partnership, company, corporation, trustee, association, or any public or private entity;

(33) "Pesticide chemical" means any substance that alone in chemical combination, or in formulation with one or more other substances, is an "economic poison" within the meaning of the Federal Insecticide, Fungicide and Rodenticide Act and amendments thereto, and that is used in the production, storage, or transportation of raw agricultural commodities;

(34) "Poultry Products Inspection Act" means the Federal Poultry and Poultry Products Inspection Act, 21 U.S.C. secs. 451 et seq., Pub. L. 85-172, 71 Stat. 441, and any amendments thereto;

(35) "Practitioner" means medical or osteopathic physicians, dentists, chiropodists, and veterinarians who are licensed under the professional licensing laws of Kentucky to prescribe and administer drugs and devices. "Practitioner" includes optometrists when administering or prescribing pharmaceutical agents authorized in KRS 320.240(12) to (14), advanced registered nurse practitioners as authorized in KRS 314.011 and 314.042, and physician assistants when administering or prescribing pharmaceutical agents as authorized in ***Section 31 of this Act***[~~KRS 311.560(3) and (4)~~];

(36) "Prescription" means a written or oral order for a drug or medicine, or combination or mixture of drugs or medicines, or proprietary preparation, that is signed, given, or authorized by a medical, dental, chiropody, veterinarian, or optometric practitioner, and intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals;

(37) "Prescription blank" means a document that conforms with KRS 217.216 and is intended for prescribing a drug to an ultimate user;

(38) "Raw agricultural commodity" means any food in its raw or natural state, including all fruits that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing;

(39) "Retail food establishment" means any food service establishment, retail food store, or a combination of both within the same establishment;

(40) "Retail food store" means any fixed or mobile establishment where food or food products, including prepackaged, labeled sandwiches or other foods to be heated in a microwave or infrared oven at the time of purchase, are offered for sale to the consumer, and intended for off-premises consumption, but does not include establishments which handle only prepackaged, snack-type, nonpotentially hazardous foods, markets that offer only fresh fruits and vegetables for sale, food service establishments, food and beverage vending machines, vending machine commissaries, or food processing establishments;

(41) "Salvage distributor" means a person who engages in the business of distributing, peddling, or otherwise trafficking in any salvaged merchandise;

(42) "Salvage processing plant" means an establishment operated by a person engaged in the business of reconditioning, labeling, relabeling, repackaging, recoopering, sorting, cleaning, culling or who by other means salvages, sells, offers for sale, or distributes for human or animal consumption or use any salvaged food, beverage, including beer, wine and distilled spirits, vitamins, food supplements, dentifices, cosmetics, single-service food containers or utensils, containers and packaging materials used for foods and cosmetics, soda straws, paper napkins, or any other product of a similar nature that has been damaged or contaminated by fire, water, smoke, chemicals, transit, or by any other means;

(43) "Second or subsequent offense" has the same meaning as it does in KRS 218A.010;

(44) "Secretary" means the secretary of the Cabinet for Health Services;

(45) "Temporary food service establishment" means any food service establishment which operates at a fixed location for a period of time, not to exceed fourteen (14) consecutive days;

(46) "Traffic" has the same meaning as it does in KRS 218A.010;

(47) "Ultimate user" has the same meaning as it does in KRS 218A.010;

(48) If an article is alleged to be misbranded because the labeling is misleading, or if an advertisement is alleged to be false because it is misleading, in determining whether the labeling or advertisement is misleading, there shall be taken into account, among other things, not only representations made or suggested by statement, word, design, device, sound, or in any combination thereof, but also the extent to which the labeling or advertisement fails to reveal facts that are material in

the light of the representations or material with respect to consequences which may result from the use of the article to which the labeling or advertisement relates under the conditions of use prescribed in the labeling or advertisement thereof or under the conditions of use as are customary or usual;

(49) The representation of a drug in its labeling or advertisement as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or other use involving prolonged contact with the body; and

(50) The provisions of KRS 217.005 to 217.215 regarding the selling of food, drugs, devices, or cosmetics shall be considered to include the manufacture, production, processing, packing, exposure, offer, possession, and holding of those articles for sale, the sale, dispensing, and giving of those articles, and the supplying or applying of those articles in the conduct of any food, drug, or cosmetic establishment.

Section 35. The following KRS sections are repealed:

311.567 Authority for administrative regulations -- Physician Assistant Advisory Committee.

311.618 Committee's immunity for official acts.

SB 4, AN ACT relating to assistance dogs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.575 is amended to read as follows:

The operator of a vehicle shall yield the right-of-way to any blind pedestrian carrying a clearly visible white cane or accompanied by ***an assistance***[~~a guide~~] dog.

Section 2. KRS 258.500 is amended to read as follows:

(1) ***As used in subsections (1) to (11) of this section, "person" means a "person with a disability" as defined by KRS 210.770. "Person" also includes a trainer of an assistance dog.***

(2) If[~~When~~] a[~~ blind~~] person is accompanied by ***an assistance***[~~a guide~~] dog, neither the[~~ blind~~] person nor the dog shall be denied admittance to any hotel, motel, restaurant, or eating establishment, nor shall the[~~ blind~~] person be denied full and equal accommodations, facilities, and privileges of all public places of amusement, theater, or resort when accompanied by ***an assistance***[~~a guide~~] dog.

(3)[~~(2)~~] Any[~~ blind~~] person accompanied by ***an assistance***[~~a guide~~] dog shall be entitled to full and equal accommodations on all public transportation, if the[~~ guide~~] dog ***does***[~~shall~~] not occupy a seat in any public conveyance, nor endanger the public safety.

(4)[~~(3)~~] ***No***[~~The blind~~] person shall[~~ not~~] be required to pay additional charges or fare for the transportation of any accompanying ***assistance***[~~guide~~] dog.

(5)[~~(4)~~] ***No***[~~Any blind~~] person accompanied by ***an assistance***[~~a guide~~] dog shall[~~ not~~] be denied admittance and use of any public building, nor denied the use of any elevator operated for public use.

(6)[~~(5)~~] Any[~~ blind~~] person accompanied by ***an assistance***[~~a guide~~] dog may keep the ***dog***[~~animal~~] in his[~~ or her~~] immediate custody while a tenant in any apartment, or building used as a public lodging.

(7)[~~(6)~~] The provisions of this section shall not apply unless the ***assistance***[~~guide~~] dog has been trained ***or is being trained*** by a recognized training agency or school, and is properly harnessed.

(8)[~~(7)~~] ***(a) Except as provided in paragraph (b) of this subsection,*** all[~~ blind~~] persons accompanied by ***an assistance***[~~a trained guide~~] dog shall have in their personal possession a certificate issued by the ***assistance***[~~guide~~] dog training agency or school establishing that their dogs have been so trained.

(b) All trainers accompanied by an assistance dog shall have in their personal possession identification verifying that they are trainers of assistance dogs.

(9)[~~(8)~~] The provisions of this section shall not apply unless the ***person***[~~blind master~~] complies with the legal limitations applicable to ***nondisabled***[~~sighted~~] persons and unless all requirements of KRS 258.015, 258.135 and 258.145 have been complied with.

[~~(9) The provisions of this section shall also apply to any deaf person accompanied by a dog trained to aid the deaf. As used in this section, "deaf person" means a person described in KRS 30A.410(1)(a).~~]

(10)[~~ The provisions of this section shall also apply to any mobility-impaired person accompanied by a dog trained to provide support or assistance for a mobility impaired person. As used in this section, "mobility-impaired person" means any person, regardless of age, who is subject to a physiological defect or deficiency, regardless of its cause, nature or extent, that renders the person unable to move about without the aid of crutches, a wheelchair, or any other form of support, or that limits the person's functional ability to ambulate, climb, descend, sit, rise, or to perform any related function.~~

~~(11) No person, firm, or corporation, or agent thereof, shall willfully or maliciously interfere with a guide dog or guide dog user.~~

~~(12)~~] ***Assistance***[~~Guide~~] dogs are exempt from all state and local licensing fees.

(11)[~~(13)~~] Licensing authorities shall accept that the dog for which the license is sought is ***an assistance***[~~a guide~~] dog[~~,~~] when a copy of the certificate, as required under subsection ***(8)***[~~(7)~~] of this section, is attached to the[~~ animal~~] licensing form.

(12) No person shall willfully or maliciously interfere with an assistance dog or the dog's user.

Section 3. KRS 258.991 is amended to read as follows:

Any person[~~, firm, or corporation, or agent thereof,~~] violating KRS 258.500 shall be punished by a fine of not less than two hundred and fifty dollars ($250), nor more than one thousand dollars ($1,000), or by imprisonment in the county jail for not less than 10 nor more than 30 days, or both.

Section 4. KRS 525.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Desecrate" means defacing, damaging, polluting or otherwise physically mistreating in a way that the actor knows will outrage the sensibilities of persons likely to observe or discover his action.

(2) "Public" means affecting or likely to affect a substantial group of persons.

(3) "Public place" means a place to which the public or a substantial group of persons has access and includes but is not limited to highways, transportation facilities, schools, places of amusements, parks, places of business, playgrounds and hallways, lobbies and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence. An act is deemed to occur in a public place if it produces its offensive or proscribed consequences in a public place.

(4) "Transportation facility" means any conveyance, premises, or place used for or in connection with public passenger transportation by air, railroad, motor vehicle, or any other method. It includes aircraft, watercraft, railroad cars, buses, and air, boat, railroad, and bus terminals and stations and all appurtenances thereto.

(5) "Riot" means a public disturbance involving an assemblage of five (5) or more persons which by tumultuous and violent conduct creates grave danger of damage or injury to property or persons or substantially obstructs law enforcement or other government function.

(6) "Service animal" includes a:

  (a) "Bomb detection dog," which means a dog that is trained to locate bombs or explosives by scent;

  (b) "Narcotic detection dog," which means a dog that is trained to locate narcotics by scent;

  (c) "Patrol dog," which means a dog that is trained to protect a peace officer and to apprehend a person;

  (d) "Tracking dog," which means a dog that is trained to track and find a missing person, escaped inmate, or fleeing felon;

  (e) "Search and rescue dog," which means a dog that is trained to locate lost or missing persons, victims of natural or man-made disasters, and human bodies;

  (f) "Accelerant detection dog," which means a dog that is trained for accelerant detection, commonly referred to as arson canines;

  (g) "Cadaver dog," which means a dog that is trained to find human remains;

  (h) "***Assistance***[~~Guide~~] dog," which means any dog that is trained to meet the requirements of KRS 258.500;

  (i) Any dog that is trained in more than one (1) of the disciplines specified in paragraphs (a) to (h) of this subsection; or

  (j) "Police horse," which means any horse that is owned, or the service of which is employed, by a law enforcement agency for the principal purpose of aiding in detection of criminal activity, enforcement of laws, and apprehension of offenders.

SB 89, AN ACT relating to domestic violence information.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 403.7505 is amended to read as follows:

(1) The Cabinet for Health Services shall, by administrative regulations promulgated pursuant to KRS Chapter 13A, establish certification standards for mental health professionals providing court-mandated treatment services for domestic violence offenders.

(2) The standards created by the cabinet shall be based on the following principles:

  (a) Domestic violence is a pattern of coercive control which includes physical, sexual, psychological, and environmental abuse, and is considered to be criminal conduct;

  (b) The primary goal of treatment programs for domestic violence offenders shall be the cessation of violence which will provide for the safety of victims and their children; and

  (c) Domestic violence offenders are responsible and shall be held accountable for the violence which they choose to perpetrate.

(3) The standards created by the cabinet shall address the following:

(a) Qualifications of providers of court-mandated domestic violence offender treatment services which shall include appropriate requirements for degree, experience, training, and continuing education;

(b) Procedures for application by providers to receive certification which shall include methods of appeal if certification is denied, and sanctions for noncompliance with the standards which may include revocation of certification;

(c) Admittance and discharge criteria for domestic violence offenders to enter court-mandated treatment services provided pursuant to this section;

(d) Written protocols for referral by a court to certified providers and for progress reports to be made to the court by providers;

(e) Contracts for domestic violence offenders to sign prior to entering court-ordered treatment services provided pursuant to this section. The contract shall specify that certified providers may contact the victims of the offender if the victim chooses to be contacted. The contract shall authorize the provider to release information regarding the offender's progress in treatment to the court, victims, probation and parole officers, and other individuals authorized by the court to receive the information;

(f) Written procedures in compliance with KRS 202A.400, 209.030, and 620.030;

(g) Payment protocols which require the offender to pay the actual cost for any court-mandated evaluation or treatment pursuant to this section, subject to the offender's ability to pay; and

(h) Other provisions which shall further the availability and quality of court-mandated domestic violence offender services.

(4) The cabinet shall:

(a) Maintain a list of providers certified pursuant to this section and regularly submit the list to the Administrative Office of the Courts; and

(b) Collect data from certified providers, which shall include ***demographic information and clinical characteristics on offenders served, number of offenders admitted into treatment and discharge conditions, total clinical services provided to offenders, and other information necessary to monitor the safety and effectiveness of services provided***[~~the number of domestic violence offenders served by the certified providers~~], to be compiled annually and submitted to the Governor, the Chief Justice of the Kentucky Supreme Court, and the Legislative Research Commission.

(5) No person, association, or organization shall conduct, operate, maintain, advise, or advertise any program that provides court-ordered treatment services for domestic violence offenders without first obtaining or maintaining valid certification under this chapter. If the cabinet has cause to believe that court-ordered treatment services for domestic violence offenders are being provided by a person or entity that does not possess valid certification under this chapter, the cabinet may institute proceedings, in the Circuit Court of the county in which the person or entity is located or in Franklin Circuit Court, for injunctive relief to terminate the provision of those services.

(6) Any person certified under this section shall submit quarterly to the cabinet:

(a) Demographic information and clinical characteristics on offenders served;

(b) Number of offenders admitted into treatment and discharge conditions;

(c) Total clinical services provided to offenders; and

(d) Other information as required by administrative regulation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

(1) Upon receipt of notice that a person barred from purchasing a firearm under 18 U.S.C. sec. 922(g)(8) has purchased or attempted to purchase a firearm, the Justice Cabinet shall make a reasonable effort to provide notice to the petitioner who obtained the domestic violence order issued under KRS 403.750 that the respondent to the order has attempted to purchase a firearm. The Justice Cabinet may contract with a private entity in order to provide notification.

(2) The notification shall be limited to a petitioner who has:

(a) Received a domestic violence protective order issued or reissued under KRS 403.750 on or after July 15, 2002;

(b) Received a domestic violence protective order that involves a respondent who is prohibited by 18 U.S.C. sec. 922(g)(8) from possessing a firearm; and

(c) Provided the Justice Cabinet or the entity with a request for notification.

(3) Any person carrying out responsibilities under this section shall be immune from civil liability for good faith conduct in carrying out those responsibilities. Nothing in this subsection shall limit liability for negligence.

Section 3. KRS 237.095 is amended to read as follows:

(1) Upon receiving notice that a person barred from purchasing a firearm under 18 U.S.C. sec. 922(g)(8) has purchased or

attempted to purchase a firearm, any agency with the responsibility of entering domestic violence records into the Law Information Network of Kentucky shall notify:

(a) The court in the jurisdiction where the domestic violence order was issued under KRS 403.750; and

(b) The law enforcement agencies, as designated by the Kentucky State Police, that have jurisdiction in the county where the domestic violence order was issued and in the county of the victim's residence if different from the county where the domestic violence order was issued.

(2) The Kentucky State Police shall develop a protocol for providing notice to the required court and law enforcement agencies under subsection (1) of this section. Within the protocol, the Kentucky State Police shall designate which local law enforcement agencies are to receive notice in each county. A minimum of one (1) law enforcement agency shall be designated in each county.

(3) When a designated law enforcement agency for the county where the domestic violence order was issued or where the victim resides receives notice under subsection (1)(b) of this section, that agency shall make reasonable efforts to ensure that the petitioner who obtained the domestic violence order is notified that the respondent has purchased or attempted to purchase a firearm.

(4) Any person carrying out responsibilities under this section shall be immune from civil liability for good faith conduct in carrying out those responsibilities.

(5) This section shall apply only to domestic violence orders issued, or reissued, on or after July 14, 2000***, through the effective date of this Act***.

The Committee on Elections, Constitutional Amendments and Intergovernmental Affairs reported **HB 535, HB 611, HJR 94,** and **HCR 104** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 535, AN ACT relating to filing fees for office.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 118.255 is amended to read as follows:

(1) The Secretary of State shall receive a fee of five hundred dollars ($500) for a candidate for statewide elected state office or the Congress, two hundred dollars ($200) for a candidate for Commonwealth's attorney, the General Assembly, or the District Court, Circuit Court, Court of Appeals, or Supreme Court, twenty dollars ($20) for candidates for office in cities of the fifth or sixth class, fifty dollars ($50) for other candidates who file with the Secretary of State for each notification and declaration and petition filed with him, fifty dollars ($50) for a write-in candidate for office other than municipal office in cities of the fifth or sixth class, and twenty dollars ($20) for a write-in candidate for municipal office in a city of the fifth or sixth class for each declaration of intent to be a write-in candidate, to be paid by the candidate, or the candidate's representative, when the notification and declaration and petition or declaration of intent is filed.

(2) The county clerk shall receive a fee pursuant to KRS 64.012 for each notification and declaration and petition filed with him to be paid by the candidate at the time of the filing. The county clerk shall receive a fee pursuant to KRS 64.012 for each name published as provided in KRS 118.235, to be paid by the county.

(3) The amount of fees received by the Secretary of State and county clerk for notifications and declarations and petitions filed with them, minus twenty dollars ($20) for each notification and declaration or petition filed, shall be forwarded to the State Treasurer for deposit in the election campaign fund established by KRS 121A.020.

(4) The county clerk ***or***~~[and/or]~~ Secretary of State shall pay the cost of mailing the certification of nomination and declaration petition from the fee collected from the candidate.

(5) The county clerk or Secretary of State shall refund to a candidate the filing fee paid under this section or KRS 64.012 upon demand by the candidate, if the candidate is redistricted into a new district after he or she has paid the filing fee under this section or KRS 64.012 and the redistricting renders any portion of the notification and declaration previously filed by the candidate under KRS 118.165 incorrect.

HB 611, AN ACT relating to the closure of public offices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.160 is amended to read as follows:

(1) Public offices in counties containing a city of any class may close any one (1) full day of any week, or any two (2) half days Monday through Saturday of any week.

(2) In addition to the provisions of subsection (1) of this section, on any election day a county clerk may close his or her office to all business not related to the election to attend solely to election-related duties.

HJR 94, A JOINT RESOLUTION directing the Secretary of State's office to create procedures and forms for candidate filing.

WHEREAS, the redistricting process has resulted in candidate filings being made prior to redistricting being completed; and

WHEREAS, as a result of the redistricting process, many of these filings are incorrect and candidates seek to have these filings corrected; and

WHEREAS, the Secretary of State's office does not have a procedure or a form that easily permits candidates to refile for office in the proper district; and

WHEREAS, the Secretary of State's office should be responsive to the needs of candidates to effect equity and to not deprive the voters of candidates for office;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Secretary of State is directed to promulgate under KRS Chapter 13A, procedures and forms that easily permit candidates to refile for office in their new districts, where the candidate has filed in the incorrect district as a result of the redistricting process.

Section 2. Upon the passage of this resolution, the Secretary of State shall promulgate the procedures and forms immediately.

HCR 104, A CONCURRENT RESOLUTION requesting and petitioning the Kentucky Congressional Delegation to urge the U.S. Forest Service to replace its recently established guidelines on the care, maintenance, and burials at cemeteries in the Land Between the Lakes Recreation Area with the long-established policies imposed by the Tennessee Valley Authority.

WHEREAS, the Land Between the Lakes Recreation Area encompassing portions of Lyon and Trigg Counties in Kentucky and Stewart County in Tennessee was created by the federal government as a beautiful, scenic recreational area to be enjoyed by many; and

WHEREAS, prior to the land's acquisition by the federal government, generations of families inhabited this land, dating back to the first white settlers in the area; and

WHEREAS, in acquiring the land, families with strong ancestral ties to the land were displaced; and

WHEREAS, from its inception in 1964 and throughout the creation of the Land Between the Lakes Recreation Area, assurances were made to those displaced and remaining alike, and among the most sacred was a promise to provide access to and entrust the care of the 250 or so cemeteries there to the relatives, friends, and cemetery associations; and

WHEREAS, this policy recognized the sanctity of the family by permitting additional burials if space was available, and it remained in place until 2001; and

WHEREAS, the management of the Land Between the Lakes was changed from the Tennessee Valley Authority (TVA) to the U.S. Department of Agriculture Forest Service in 1999, and the TVA's policies concerning the cemeteries have been replaced by policies viewed by the families of those interred as an encroachment of their rights to visit, be buried, or maintain the cemeteries; and

WHEREAS, the new guidelines and the possibility that they may be updated or changed every year place the families and friends of those interred or wishing to be interred in the cemeteries in an uncertain position; and

WHEREAS, the broken promises and the state of flux the families must endure have caused considerable heartache and have disrupted the continuity the families shared;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Kentucky Congressional Delegation is requested to urge the U.S. Forest Service to replace its recently established guidelines on the care, maintenance, and burials at cemeteries in the Land Between the Lakes Recreation Area with the previous, long-held policies imposed by the Tennessee Valley Authority.

Section 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to Senator Mitch McConnell, 361-A Russell Senate Office Building, Washington, D.C. 20510; Senator Jim Bunning, 316 Hart Senate Office Building, Washington, D.C. 20510; Representative Ed Whitfield, 236 Cannon House Office Building, Washington, D.C. 20515; Representative Ron Lewis, 2418 Rayburn House Office Building, Washington, D.C. 20515; Representative Ann Northup, 1004 Longworth House Office Building, Washington, D.C. 20515; Representative Ken Lucas, 1237 Longworth House Office Building, Washington, D.C. 20515; Representative Hal Rogers, 2406 Rayburn House Office Building, Washington, D.C. 20515; and Representative Ernie Fletcher, 1117 Longworth House Office Building, Washington, D.C. 20515.

The Committee on Local Government reported **HB 469**, with Committee Substitute attached thereto, **HB 519**, and **HB 540** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 469, AN ACT relating to emergency medical services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 311A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context otherwise requires:

(1) "Ambulance" means a vehicle which has been inspected and approved by the board, including a helicopter or fixed-wing aircraft, except vehicles or aircraft operated by the United States government, that are specially designed, constructed, or have been modified or equipped with the intent of using the same, for the purpose of transporting any individual who is sick, injured, or otherwise incapacitated who may require immediate stabilization or continued medical response and intervention during transit or upon arrival at the patient's destination to safeguard the patient's life or physical well-being;

(2) "Ambulance provider" means any individual or private or public organization, except the United States government, who is licensed by the board to provide medical transportation services at either basic life support level or advanced life support level and who may have a vehicle or vehicles, including ground vehicles, helicopters, or fixed-wing aircraft to provide such transportation. An ambulance provider may be licensed as an air ambulance provider, as a Class I ground ambulance provider, as a Class II ground ambulance provider, or as a Class III ground ambulance provider;

(3) "Board" means the Kentucky Board of Emergency Medical Services;

(4) "Emergency medical facility" means a hospital or any other institution licensed by the Cabinet for Health Services that furnishes emergency medical services;

(5) "Emergency medical services" means the services utilized in providing care for the perceived individual need for immediate medical care to protect against loss of life, or aggravation of physiological or psychological illness or injury;

(6) "Emergency Medical Services for Children Program" or "EMSC Program" means the program established under this chapter;

(7) "Emergency medical services personnel" means persons, certified or licensed, and trained to provide emergency medical services, and an authorized emergency medical services medical director, whether on a paid or volunteer basis;

(8) "Emergency medical services system" means a coordinated system of health-care delivery that responds to the needs of acutely sick and injured adults and children, and includes community education and prevention programs, centralized access and emergency medical dispatch, communications networks, trained emergency medical services personnel, medical first response, ground and air ambulance services, trauma care systems, mass casualty management, medical direction, and quality control and system evaluation procedures;

(9) "Emergency medical services training or educational institution" means any person or organization which provides emergency medical services training or education or in-service training, other than a licensed ambulance service which provides training, or in-service training in-house for its own employees or volunteers.

(10) "Emergency medical technician" or "EMT" means a person certified under this chapter as an EMT-basic, EMT-basic instructor, or EMT-instructor trainer;

(11) "First responder" means a person certified under this chapter as a first responder or first responder instructor;

(12) "Emergency medical services medical director" means a physician licensed in Kentucky who is employed by, under contract to, or has volunteered to provide supervision for a paramedic or an ambulance service, or both;

(13) "Paramedic" means a person who is involved in the delivery of medical services and is licensed under this chapter;

(14) "Paramedic course coordinator" means a person certified under this chapter to coordinate a paramedic course. A paramedic course coordinator shall not practice as a paramedic unless they are also licensed as a paramedic;

(15) "Paramedic preceptor" means a licensed paramedic who supervises a paramedic student during the field portion of the student's training;

(16) "Prehospital care" means the provision of emergency medical services or transportation by trained and certified or licensed emergency medical services personnel at the scene or while transporting sick or injured persons to a hospital or other emergency medical facility; and

(17) "Trauma" means a single or multisystem life-threatening or limb-threatening injury requiring immediate medical or surgical intervention or treatment to prevent death or permanent disability.

SECTION 2. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Board of Emergency Medical Services is created and shall consist of eighteen (18) members who are residents of Kentucky appointed by the Governor in conjunction with recognized state emergency medical services related organizations. Membership shall be made up of the following:

(a) One (1) paramedic who works for a government agency but is not serving in an educational, management, or

supervisory capacity;

(b) One (1) emergency medical technician-basic who works for a government agency but is not serving in an educational, management, or supervisory capacity;

(c) One (1) first responder who is not serving in an educational, management, or supervisory capacity;

(d) One (1) physician licensed in Kentucky having a primary practice in the delivery of emergency medical care selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(e) One (1) physician licensed in Kentucky serving as medical director of an advanced life support ambulance service, selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(f) One (1) physician licensed in Kentucky who routinely is involved in the emergency care of ill and injured children selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(g) One (1) trauma surgeon licensed in Kentucky selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(h) One (1) citizen having no involvement in the delivery of medical or emergency services;

(i) One (1) emergency medical services educator from a Kentucky technical college, community college, college, or university that provides an emergency medical services educational program;

(j) One (1) mayor of a city that operates, either directly or through contract services, a licensed Class I ground ambulance service;

(k) One (1) county judge/executive from a county that operates, whether directly or through contract services, a licensed Class I ground ambulance service;

(l) One (1) volunteer-staffed, licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic;

(m) One (1) fire-service-based, licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic;

(n) One (1) licensed air ambulance service administrator or paramedic for a licensed air ambulance service headquartered in Kentucky;

(o) One (1) private licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic who is a resident of Kentucky;

(p) One (1) hospital administrator selected from a list of five (5) nominees submitted by the Kentucky Hospital Association;

(q) One (1) basic life support, licensed Class I government-operated ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic; and

(r) One (1) advanced life support, government-operated ambulance service administrator who is a certified emergency medical technician or a licensed paramedic.

(2) No board member shall serve more than two (2) consecutive terms. A member appointed to a partial term vacancy exceeding two (2) years shall be deemed to have served a full term. A former member may be reappointed following an absence of one (1) term.

(3) The board shall annually:

(a) Meet at least six (6) times a year;

(b) In September, elect a chair and vice chair by majority vote of the members present; and

(c) Set a schedule of six (6) regular meetings for the next twelve (12) month period.

(4) The board shall adopt a quorum and rules of procedure by administrative regulation.

(5) (a) A member of the board who misses three (3) regular meetings in one (1) year shall be deemed to have resigned from the board and his or her position shall be deemed vacant.

(b) The failure of a board member to attend a special or emergency meeting shall not result in any penalty.

(c) The year specified in this subsection shall begin with the first meeting missed and end three hundred sixty-five (365) days later or with the third meeting missed, whichever occurs earlier.

(d) The Governor shall appoint a person of the same class to fill the vacancy within ninety (90) days.

(e) The person removed under this subsection shall not be reappointed to the board for ten (10) years.

(6) Members of the board shall be entitled to reimbursement for actual and necessary expenses when carrying out official duties of the board in accordance with state administrative regulations relating to travel reimbursement. The board shall meet at least six (6) times each year.

SECTION 3. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall:

(a) Exercise all of the administrative functions of the state not regulated by the Board of Medical Licensure or

Cabinet for Health Services in the regulation of the emergency medical services system and the practice of first responders, emergency medical technicians, paramedics, ambulance services, and emergency medical services training institutions;

(b) Issue any licenses or certifications authorized by this chapter;

(c) Oversee the operations and establish the organizational structure of the Office of the Kentucky Board of Emergency Medical Services, which is created and shall be attached to the board for administrative purposes. The office shall be headed by the executive director appointed under paragraph (d) of this subsection and shall be responsible for:

1. Personnel and budget matters affecting the board;

2. Fiscal activities of the board, including grant writing and disbursement of funds;

3. Information technology, including the design and maintenance of databases;

4. Certification and recertification of first responders;

5. Certification and recertification of emergency medical technicians;

6. Licensure and relicensure of ambulances and ambulance services;

7. Licensure and relicensure of paramedics;

8. Certification and recertification of paramedic course coordinators;

9. Investigation of and resolution of quality complaints and ethics issues; and

10. Other responsibilities that may be assigned to the executive director by the board;

(d) Employ an executive director and deputy executive director and fix the compensation. The executive director and deputy executive director shall serve at the pleasure of the board, administer the day-to-day operations of the Office of the Kentucky Board of Emergency Medical Services, and supervise all directives of the board. The director and deputy executive director shall possess a baccalaureate degree and shall have no less than five (5) years of experience in public administration or in the administration of an emergency medical services program;

(e) Employ or contract with a physician licensed in Kentucky who is board certified in emergency medicine and fix the compensation. The physician shall serve at the pleasure of the board and as the medical advisor to the Kentucky Board of Emergency Medical Services and the staff of the board;

(f) Employ or contract with a general counsel licensed to practice law in Kentucky and fix the compensation. The general counsel shall serve at the pleasure of the board;

(g) Employ personnel sufficient to carry out the statutory responsibilities of the board.

1. Personnel assigned to investigate a first responder program complaint or regulate the first responder programs shall be certified first responders, emergency medical technicians, or licensed paramedics.

2. Personnel assigned to investigate an emergency medical technician program complaint or regulate the emergency medical technician program shall be certified emergency medical technicians or paramedics.

3. Personnel assigned to investigate a paramedic program complaint or regulate the paramedic program shall be licensed paramedics.

4. A person who is employed by the board who is licensed or certified by the board shall retain his or her license or certification if he or she meets the in-service training requirements and pays the fees specified by administrative regulation.

5. A person who is employed by the board may instruct in emergency medical subjects in which they are qualified, with the permission of the board. All instruction shall be rendered without remuneration other than their state salary and the employee shall be considered as on state duty when teaching.

6. A person who is employed by the board may render services for which the person is qualified at a declared disaster or emergency or in a situation where trained personnel are not available until those personnel arrive to take over the patient, or where insufficient trained personnel are available to handle a specific emergency medical incident. All aid shall be rendered without remuneration other than the employee's state salary and the employee shall be considered as on state duty when rendering aid. In cases specified in this paragraph, the state medical advisor shall serve as the emergency medical services medical director for the employee;

(h) Establish committees and subcommittees and the membership thereof. Members of committees and subcommittees do not need to be members of the board;

(i) Enter into contracts, apply for grants and federal funds, and disburse funds to local units of government as approved by the General Assembly. All funds received by the board shall be placed in a trust and agency account in the State Treasury subject to expenditure by the board;

(j) Collect and analyze data for evaluation of emergency medical services in the Commonwealth;

(k) Administer the Emergency Medical Services for Children Program; and

(l) Establish minimum curriculum and standards for emergency medical services training.

(2) The board may utilize materials, services, or facilities as may be made available to it by other state agencies or may contract for materials, services, or facilities.

(3) The board may delegate to the executive director, by written order, any function other than promulgation of an administrative regulation specified in this chapter.

(4) Except for securing funding for trauma centers and the implementation of Section 31 of this Act, the board shall not regulate a trauma center.

SECTION 4. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall, subject to the provisions of this chapter, create levels of certification or licensure, as appropriate for individuals providing services under this chapter. These may consist of, but not be limited to:

(a) First responder and first responder instructor;

(b) Emergency medical technician-basic, emergency medical technician-basic instructor, and emergency medical technician-basic instructor trainer;

(c) Paramedic, paramedic course coordinator, paramedic instructor, and paramedic preceptor;

(d) Emergency medical services medical director who supervises a person or organization licensed or certified by the board;

(e) Emergency medical service training institution;

(f) Emergency medical service testing agency;

(g) Ground ambulance service, including categories thereof;

(h) Air ambulance service;

(i) Medical first response provider;

(j) Emergency medical dispatcher, emergency medical dispatch instructor, and emergency medical dispatch instructor trainer;

(k) Emergency medical dispatch center or public safety answering point; and

(l) Any other entity authorized by this chapter.

(2) The board shall promulgate administrative regulations for any certification or license the board may create. The administrative regulations shall, at a minimum, address:

(a) Requirements for students, if appropriate;

(b) Requirements for training;

(c) Eligibility for certification or licensure; and

(d) Renewal, recertification, and relicensure requirements.

(3) The board may authorize a physician licensed to practice in Kentucky to serve as an emergency medical services medical director if that physician meets the requirements specified by the board by administrative regulation.

SECTION 5. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the functions of this chapter, including, but not limited to:

(1) Licensing, inspecting, and regulating of ambulance services and medical first-response providers. The administrative regulations shall address specific requirements for:

(a) Air ambulance providers, which provide basic or advanced life support services;

(b) Class I ground ambulance providers, which provide basic life support or advanced life support services to all patients for emergencies or scheduled ambulance transportation which is medically necessary;

(c) Class II ground ambulance providers, which provide only basic life support services but do not provide initial response to the general population with medical emergencies and which are limited to providing scheduled ambulance transportation which is medically necessary;

(d) Class III ground ambulance providers, which provide mobile intensive care services at or above the level of advanced life support to patients with critical illnesses or injuries who must be transported between hospitals in vehicles with specialized equipment as an extension of hospital-level care; and

(e) Medical first-response providers, which provide prehospital or advanced life support services, but do not transport patients; and

(2) Emergency medical services training institutions.

Nothing in this section shall be construed to change or alter the issuance of certificates of need for emergency medical services providers.

SECTION 6. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board may promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the functions of this chapter, including, but not limited to:

(1) Establishing minimum data reporting requirements, including requirements specifically related to emergency medical services and trauma care of children, for ambulance providers and collection and analysis of data related to the provision of emergency medical services;

(2) Maintaining the Emergency Medical Services for Children Program with federal funds so designated plus any additional funds that may be appropriated by the General Assembly, or any other funds that may become available to the board, including gifts, grants, or other sources;

(3) Developing a statewide plan for the implementation of emergency medical services systems and trauma care systems within the Commonwealth of Kentucky that specifically addresses the unique needs of rural areas;

(4) Applying for, receiving, and disposing of federal, state, or private funds by grant, appropriation, donation, or otherwise for emergency medical services programs, personnel, and equipment; and

(5) Developing, monitoring, and encouraging other projects and programs that may be of benefit to emergency medical services in the Commonwealth;

Nothing in this section shall be construed to change or alter the issuance of certificates of need for emergency medical services providers.

SECTION 7. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board may, on petition by an interested party, issue an advisory opinion relating to the applicability to any person, property, or state of facts of a statute in this chapter, administrative regulation promulgated by the board, decision, order, or other written statement of law or policy within the jurisdiction of the board.

(2) An advisory opinion shall be binding on the board and all parties to the proceeding on the statement of facts alleged.

(3) The board may not retroactively change an advisory opinion, but nothing in this section shall prevent the board from prospectively changing an advisory opinion.

(4) The board shall promulgate an administrative regulation in accordance with KRS Chapter 13A on procedures for submission, consideration, reconsideration, and disposition of a petition for an advisory opinion.

(5) An advisory opinion of the board may be appealed to the Circuit Court of the county in which the board's offices are located within thirty (30) days of the date of the advisory opinion by the board.

(6) Each advisory opinion shall be a public record and shall be published in the manner specified by the board.

(7) When the board supersedes, vacates, modifies, or repeals a previous advisory opinion the new opinion shall specify each previous opinion affected.

SECTION 8. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board may employ or contract with a coordinator and other positions who shall serve at the pleasure of the board for the Emergency Medical Services for Children Program for which funding is provided by the General Assembly or through any other sources, including gifts, grants, or federal funds.

(2) The coordinator shall, subject to the direction of the board:

(a) Implement and oversee the Emergency Medical Services for Children Program described in this section; and

(b) Serve as liaison for collaboration and coordination between the Emergency Medical Services for Children Program, the board and other public and private organizations, the state traffic safety office, the maternal and child health program, the Medicaid department, the state and local child fatality review and response teams, state and local professional organizations, private sector voluntary organizations, and consumer and community representatives.

(3) The Emergency Medical Services for Children Program may include, but not be limited to, the establishment of the following:

(a) Guidelines for necessary out-of-hospital medical service equipment;

(b) Guidelines and protocols for out-of-hospital pediatric emergency medical services;

(c) Assistance in the development and provision of professional education programs for emergency medical services personnel for the provision of emergency care of infants and children;

(d) Coordination and cooperation between the Emergency Medical Services for Children Program and other public and private organizations interested or involved in emergency care for children, including those persons and organizations identified in subsection (2)(b) of this section; and

(e) The scope of activities carried out by and the provision of staff for the Emergency Medical Services for Children Program shall be commensurate with the availability of funds.

(4) Funds received by the Emergency Medical Services for Children Program shall be placed in a trust and agency account in the state treasury which shall not lapse unless grant provisions specify otherwise. No funds shall be

expended from a grant except by vote of the board.

SECTION 9. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) No person shall:

(a) Call or hold himself or herself out as or use the title of emergency medical technician, first responder, paramedic, first responder instructor or instructor trainer, emergency medical technician instructor or instructor trainer, or paramedic instructor, paramedic instructor trainer, or paramedic course coordinator unless licensed or certified under the provisions of this chapter. The provisions of this subsection shall not apply if the board does not license or certify a person as an instructor, instructor trainer, or course coordinator in a particular discipline regulated by the board;

(b) Operate or offer to operate or represent or advertise the operation of a school or other educational program for first responders, emergency medical technicians, paramedics, or instructors or instructor trainers for first responders, emergency medical technicians, or paramedics unless the school or educational program has been approved under the provisions of this chapter. The provisions of this paragraph shall not apply to in-house training given by an ambulance service for its employees or volunteers; or

(c) Knowingly employ a first responder, emergency medical technician, paramedic, or an instructor or instructor trainer for first responders, emergency medical technicians, or paramedics, or paramedic course coordinator unless that person is licensed or certified under the provisions of this chapter.

(2) No person licensed or certified by the board or who is an applicant for licensure or certification by the board shall:

(a) If licensed or certified, violate any provision of this chapter or any administrative regulation promulgated by the board;

(b) Use fraud or deceit in obtaining or attempting to obtain a license or certification from the board, or be granted a license upon mistake of a material fact;

(c) If licensed or certified by the board, grossly negligently or willfully act in a manner inconsistent with the practice of the discipline for which the person is certified or licensed;

(d) Be unfit or incompetent to practice a discipline regulated by the board by reason of negligence or other causes;

(e) Abuse, misuse, or misappropriate any drugs placed in the custody of the licensee or certified person for administration, or for use of others;

(f) Falsify or fail to make essential entries on essential records;

(g) Be convicted of a misdemeanor or felony which involved acts that bear directly on the qualifications or ability of the applicant, licensee, or certified person to practice the discipline for which the person is an applicant, licensee, or certified person;

(h) Be convicted of a misdemeanor or felony which involved fraud, deceit, breach of trust, or physical harm or endangerment to self or others, acts that bear directly on the qualifications or ability of the applicant, licensee, or certificate holder to practice acts in the license or certification held or sought;

(i) Be convicted of a misdemeanor offense under KRS Chapter 510 involving a patient, or a felony offense under KRS Chapter 510, 530.064, or 531.310, or be found by the board to have had sexual contact as defined in KRS 510.010(7) with a patient while the patient was under the care of the licensee or certificate holder;

(j) Have had his or her license or credential to practice as a nurse or physician denied, limited, suspended, probated, revoked, or otherwise disciplined in Kentucky or in another jurisdiction on grounds sufficient to cause a license to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth;

(k) Have a license or certification to practice in any activity regulated by the board denied, limited, suspended, probated, revoked, or otherwise disciplined in another jurisdiction on grounds sufficient to cause a license or certification to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth.

(l) Violate any lawful order or directive previously entered by the board; or

(m) Have been listed on the nurse aide abuse registry with a substantiated finding of abuse, neglect, or misappropriation of property;

(3) It shall be unlawful for any person licensed or certified by the board or an employer of a person licensed or certified by the board having knowledge of the facts to refrain from reporting to the board any person licensed or certified by the board who:

(a) Has been convicted of a misdemeanor or felony which involved acts that bear directly on the qualifications or ability of the applicant, licensee, or certified person to practice the discipline for which they are an applicant, licensee, or certified person;

(b) Is reasonably suspected of fraud or deceit in procuring or attempting to procure a license or certification from the board;

(c) Is reasonably suspected of grossly negligently or willfully acting in a manner inconsistent with the practice of the discipline for which they are certified or licensed;

(d) Is reasonably suspected of being unfit or incompetent to practice a discipline regulated by the board by reason of negligence or other causes including, but not limited to, being unable to practice the discipline for which they are licensed or certified with reasonable skill or safety;

(e) Is reasonably suspected of violating any provisions of this chapter or the administrative regulations promulgated under this chapter;

(f) Has a license or certification to practice an activity regulated by the board denied, limited, suspended, probated, revoked, or otherwise disciplined in another jurisdiction on grounds sufficient to cause a license or certification to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth;

(g) Is practicing an activity regulated by the board without a current active license, or certification issued by the board;

(h) Is reasonably suspected of abusing, misusing, or misappropriating any drugs placed in the custody of the licensee or certified person for administration, or for use of others; or

(i) Is suspected of falsifying or in a grossly negligent manner making incorrect entries or failing to make essential entries on essential records.

(4) A person who violates subsection (1)(a) or (b) of this section shall be guilty of a Class A misdemeanor for a first offense and a Class D felony for each subsequent offense.

(5) The provisions of this section shall not preclude prosecution for the unlawful practice of medicine, nursing, or other practice certified or licensed by an agency of the Commonwealth.

(6) The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the office of the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.

(7) The institution or imposition of disciplinary action by the office of the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.

SECTION 10. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) In accordance with the provisions of KRS Chapter 13A, all discipline for which the board is authorized to conduct investigations, hold hearings, and impose punishments is delegated to the executive director, state medical advisor, board attorney, and hearing panels as provided herein.

(2) Any person may make a complaint to the executive director that an entity licensed or certified by the board, first responder, emergency medical technician, paramedic, emergency medical services medical advisor or other person licensed or certified by the board has violated a provision of this chapter, an administrative regulation promulgated pursuant to this chapter, protocol, practice standard, or order of the board.

(3) Each complaint shall:

(a) Be in writing;

(b) Identify specifically the person or organization against whom the complaint is made;

(c) Set forth the facts relating to the violation alleged and any other supporting information which may have a bearing on the matter;

(d) Contain the name, address, telephone number, facsimile number, and e-mail address, if available, of the complainant;

(e) Be subscribed and sworn to as to the truth of the statements contained in the complaint by the complainant; and

(f) Be notarized.

(4) A complaint which is unsigned shall not be acted upon by the executive director. A complaint which is not subscribed and sworn in the manner specified in subsection (3) of this section shall be returned to the complainant for completion.

(5) The executive director of the board may, on behalf of the board, based on knowledge available to the office of the board, make a complaint against any person or organization regulated by the board in the same manner as provided in subsection (3) of this section.

(6) Upon receipt of a properly completed complaint, the executive director shall assign the complaint to a staff investigator who shall investigate the complaint and shall make findings of fact and recommendations to the executive director who shall then convene a preliminary inquiry board.

(7) When the executive director assigns a complaint to a staff investigator he or she shall notify the person or organization against whom the complaint has been filed and shall notify the employer of a first responder, emergency medical

technician, or paramedic and the emergency medical services medical director for the organization and for any paramedic against whom the complaint is filed and any other person or organization specified in this chapter.

(8) The notification shall name the person or organization complained against, the complainant, the violations alleged, and the facts presented in the complaint and shall notify the person or organization complained against, the employer, and the emergency medical services medical director of:

(a) The fact that the complaint shall be answered, the steps for answering the complaint, and the action to be taken if the complaint is not answered;

(b) The time frame and steps in the proceedings of a complaint;

(c) The rights of the parties, including the right to counsel; and

(d) The right to testify at any hearing.

(9) Upon the failure of a license or certificate holder to respond to a written accusation or to request a hearing within twenty (20) days after the sending of the accusation, the accused shall be considered to have admitted the truth of the facts and the circumstances in the allegation and appropriate discipline may be imposed.

(10) The preliminary inquiry board shall consist of the executive director, a person representing the same category of certification or licensure as the defendant who is not a member of the board appointed by the chairman of the board, and the board attorney.

(11) After reviewing the complaint and results of any investigation conducted on behalf of the board, the preliminary inquiry board shall consider whether the accusation is sufficient to remand the matter for a hearing as provided in this section and KRS Chapter 13B. A majority vote of the members of the preliminary inquiry board shall be necessary for action to either remand the matter for hearing or dismiss the complaint without hearing.

(12) If the preliminary inquiry board dismisses the complaint, all parties notified previously shall be notified of the action. If the preliminary inquiry board remands the matter for a hearing, all parties notified previously shall be notified of the action.

(13) Each proceeding to consider the imposition of a penalty which the board is authorized to impose pursuant to this chapter shall be conducted in accordance with KRS Chapter 13B.

(14) A hearing panel for purposes of making a decision in any disciplinary matter shall consist of one (1) physician who may be a member of the board or who meets the qualifications of an emergency medical services medical director; one (1) person from the category of persons or organizations of the same class as the defendant; and the hearing officer, who shall not be involved in emergency medical services.

(15) The hearing officer may issue subpoenas to compel the attendance of witnesses and the production of documents in the conduct of an investigation. The subpoenas may be enforced by any Circuit Court for contempt. Any order or subpoena of the court requiring the attendance and testimony of witnesses and the production of documentary evidence may be enforced and shall be valid anywhere in this state.

(16) At all hearings the board attorney or, on request of the board, the Attorney General of this state or one (1) of the assistant Attorneys General designated shall appear and represent the board.

(17) The employer of a person licensed or certified by the board and the emergency medical services medical director of such a person who is the defendant in a hearing shall be parties to the action and may appear and testify in the matter at any deposition or hearing on the matter and may propose conclusions of law, findings of fact, and penalties to the hearing panel.

(18) To make a finding or recommend discipline, the two (2) members of the hearing panel who are not the hearing officer shall agree on the finding or discipline. In the event of a tie vote, the hearing officer shall cast the deciding vote.

(19) The final order in any disciplinary proceeding shall be prepared by the executive director and sent to all parties in the manner prescribed by law.

(20) Any person or entity aggrieved by a final order of the board may appeal to the Franklin Circuit Court in accordance with the provisions of KRS Chapter 13B.

(21) The only discipline that the board may impose against an emergency medical services medical director is denial, suspension or withdrawal of the board's approval for that person to serve as an emergency medical services medical director.

(22) If the executive director substantiates that sexual contact occurred between a licensee or certificate holder and a patient while the patient was under the care of or in a professional relationship with the licensee or certificate holder, the license or certification may be revoked or suspended with mandatory treatment of the person as prescribed by the executive director. The executive director may require the licensee or certificate holder to pay a specified amount for mental health services for the patient which are needed as a result of the sexual contact.

SECTION 11. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) If it is determined that an entity regulated by the board, a paramedic, first responder, or emergency medical technician has violated a statute, administrative regulation, protocol, or practice standard relating to serving as an entity regulated by the board, a paramedic, first responder, or emergency medical technician, the office of the board may impose any of

the sanctions provided in subsection (2) of this section. Any party to the complaint shall have the right to propose findings of fact and conclusions of law, and to recommend sanctions.

(2) The office of the board may use any one (1) or more of the following sanctions when disciplining a paramedic, emergency medical technician first responder, emergency medical technician, or any entity regulated by the board:

(a) Private reprimand that shall be shared with each of the paramedic's, first responder's, or emergency medical technician's employer and medical director;

(b) Public reprimand;

(c) Fines of fifty dollars ($50) to five hundred dollars ($500) for a natural person or fifty dollars ($50) to five thousand dollars ($5,000) for a public agency or business entity;

(d) Revocation of certification or licensure;

(e) Suspension of licensure until a time certain;

(f) Suspension until a certain act or acts are performed;

(g) Limitation of practice permanently;

(h) Limitation of practice until a time certain;

(i) Limitation of practice until a certain act or acts are performed;

(j) Repassing a portion of the paramedic, first responder, or emergency medical technician examination; or

(k) Probation for a specified time.

(3) The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the office of the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.

(4) The institution or imposition of disciplinary action by the office of the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.

SECTION 12. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) If the office of the board has reasonable cause to believe that any licensee or certificate holder or any applicant for licensure or certification by examination, reinstatement, or change of status is unable to practice with reasonable skill or safety or has abused alcohol or drugs, it may require that person to submit to a mental or physical examination by a physician or psychologist it designates. Upon the failure of the person to submit to a mental or physical examination, unless due to circumstances beyond the person's control, the office of the board may initiate an action for immediate temporary suspension pursuant to this chapter or deny the application until the person submits to the required examination. The office of the board may issue an immediate and temporary suspension from the time of the examination until the hearing.

(2) Every licensee or certificate holder or applicant for licensure or certification by examination, reinstatement, or change of status shall be deemed to have given consent to submit to an examination when so directed in writing by the board. The direction to submit to an examination shall contain the basis of the office of the board's reasonable cause to believe that the person is unable to practice with reasonable skill or safety, or has abused alcohol or drugs. The person shall be deemed to have waived all objections to the admissibility of the examining physician's or psychologist's testimony or examination reports on the ground of privileged communication.

(3) The licensee or certificate holder or applicant for licensure or certification by examination, reinstatement, or change of status shall bear the cost of any mental or physical examination ordered by the office of the board.

SECTION 13. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) When a complaint is filed against an ambulance service, emergency medical services provider, or an emergency medical services educational institution or an employee or volunteer thereof, or when the office of the board is contemplating action against an ambulance service, emergency medical services provider, or emergency medical services educational institution or an employee or volunteer thereof, written notice of the complaint or proposed action shall be sent to:

(a) The county judge/executive, in the event of a county-operated ambulance service, emergency medical services provider, or educational institution;

(b) The mayor, in the event of a city-operated ambulance service, emergency medical services provider, or educational institution;

(c) The mayor, in the event of an urban-county government-operated ambulance service, emergency medical services provider, or educational institution;

(d) The chairman of the fire protection district, in the event of a fire district-operated ambulance service, emergency medical services provider, or educational institution;

(e) The head of the public agency, in the event of an ambulance service, emergency medical services provider, or educational institution operated by a public agency other than specified in paragraphs (a) to (d) of this subsection;

(f) The president, chancellor, or other officer in charge of an educational institution operated, in the event of an ambulance service or educational institution;

(g) The chief operating officer or president of a nonprofit corporation, corporation for profit, limited liability corporation, or other business entity, in the event of an ambulance service, emergency medical services provider, or educational institution operated by the business entity; and

(h) Both the ambulance service, emergency medical services provider, or educational institution officials specified in this subsection and the officials of any public agency contracting for services.

(2) The notice specified in this section shall be in addition to any notice provided to any other person or organization.

SECTION 14. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The state medical advisor, one (1) physician board member selected by the chairman of the board, and one (1) member of the board of the same category of licensure or certification as the defendant selected by the chairman of the board, in writing, may determine that immediate temporary suspension of a license or certification of a natural person against which disciplinary action or an investigation is pending is necessary in order to protect the public. If the defendant is employed by an emergency medical services provider, the input of the employer's emergency medical services medical director shall be sought with regard to the matter. In the event of an action against an organization, the determination shall be made by the state medical advisor, one (1) physician member of the board, and one (1) other member of the board who is not a physician selected by the chairman of the board. When this action may be necessary, the executive director, in writing, shall issue an emergency order suspending the licensee or certificate holder. Upon appeal of an emergency order, an emergency hearing shall be conducted in accordance with KRS 13B.125.

(2) No board member shall be disqualified from serving on a disciplinary action hearing panel for the reason that he or she has previously sat on a hearing panel considering temporary suspension of the same license.

(3) Disciplinary actions in which a license or certification has been temporarily suspended and a hearing shall be held in accordance with KRS 13B.125 within ninety (90) days unless the defendant requests an extension of time.

(4) The order of immediate temporary suspension shall remain in effect until either retracted or superseded by final disciplinary action by the office of the board. In cases where disciplinary action is imposed, the office of the board may additionally order that the temporary suspension continue in effect until the later expiration of time permitted for appeal or termination of the appellate process.

SECTION 15. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) No person as defined in KRS 446.010 who is not licensed to do so, or whose license to do so has been suspended, revoked, or denied, shall operate an ambulance service or advanced life support emergency medical first response program.

(2) Any person as defined in KRS 446.010 who violates subsection (1) of this section is guilty of a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.

(3) The provisions of this section shall not preclude the board from revoking or increasing the suspension period of a person operating an ambulance service or advanced life support first response program which has illegally operated while its license is under suspension or has been revoked.

(4) The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.

(5) The institution or imposition of disciplinary action by the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.

SECTION 16. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person licensed or certified by the board shall immediately notify the office of the board in writing if any professional or business license that is issued to the person by any agency of the Commonwealth or any other jurisdiction is surrendered or terminated under threat of disciplinary action or is refused, suspended, or revoked, or if renewal of continuance is denied.

SECTION 17. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person licensed or certified by the board shall, within thirty (30) days of entry of the final judgment, notify the office of the board in writing of any misdemeanor or felony criminal conviction in this Commonwealth or any other jurisdiction. Upon learning of any failure to notify the office of the board under this section, the office of the board may initiate an action for immediate temporary suspension under this chapter until the person submits the required notification.

SECTION 18. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) A paramedic license, first responder certification, or emergency medical technician certification shall be valid for a period of two (2) years.

(2) Each paramedic license, first responder certification, or emergency medical technician certification shall expire on December 31 of the second year from its issuance.

(3) The license or certification of every person issued under the provisions of this chapter shall be renewed at least biennially except as provided in this section. At least six (6) weeks before the renewal date the office of the board shall mail an application for renewal to every person for whom a license or certification was issued during the current licensure or certification period. The applicant shall fill in the application form and return it to the office of the board with the renewal fee prescribed by the board in an administrative regulation before the expiration date of his or her current license or certification. Upon receipt of the application and fee, the board shall verify the accuracy of the application to determine whether the licensee or person seeking certification has met all the requirements as set forth in this chapter and in the administrative regulations promulgated by the board, and, if so, shall issue to the applicant a license or certification to practice or engage in the activity for the ensuing licensure or certification period. Such license or certification shall render the holder a legal practitioner of the practice or activity specified in the license or certification for the period stated on it. The board shall prescribe by administrative regulation the beginning and ending of the licensure or certification period.

(4) Any person who is licensed or certified by the board who allows his or her license or certification to lapse by failing to renew the license or certification as provided in this section may be reinstated by the board on payment of the current fee for original licensure or certification and by meeting the requirements of administrative regulations promulgated by the board.

(5) An application for renewal of a license or certification shall be sent to the last known address of each licensee or certified person.

(6) Any person practicing any practice or activity regulated by the board during the time his or her license or certification has lapsed shall be considered an illegal practitioner and shall be subject to the penalties provided for violations of this chapter.

(7) Failure to receive the application for renewal of a license or certification shall not relieve a paramedic, first responder, or emergency medical technician from the duty to renew his or her license or certification prior to December 31 of the year in which the license or certification expires.

(8) The duration of any license or certification issued by the board may be limited by disciplinary action of the board.

(9) Every license or certification issued by the board shall have the seal of the board affixed. A holder of a license, certification, or other credential shall retain it in his or her possession and be prepared to exhibit it upon demand by an employer or anyone to whom the holder of the credential offers emergency medical services or any board or staff member of the Kentucky Board of Emergency Medical Services.

(10) Failure or refusal to produce a license or certification upon demand shall be prima facie evidence that no such license or certification exists.

(11) In order to assure a proper transition during the implementation of the provisions of this section, the board may, for a period of three (3) years, extend a license or certification of any person in order to utilize the expiration date provided for in this section. The board shall, in writing, notify each person whose license or certification is extended of the extension and the new date of expiration. The extension shall be without charge.

SECTION 19. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board may require a criminal background investigation of an applicant for licensure or certification, including by means of a fingerprint check by the State Police or the Federal Bureau of Investigation, or both.

SECTION 20. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person as defined in KRS 446.010 licensed or certified by the board shall maintain a current mailing address with the office of the board and immediately notify the board in writing of a change of mailing address. As a condition of holding a license or certification from the board, a licensee or certificate holder is deemed to have consented to service of notice or orders of the board at the mailing address on file with the office of the board, and any notice or order of the board mailed or delivered to the mailing address on file with the board constitutes valid service of the notice or order.

SECTION 21. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board shall, by administrative regulation, require an applicant for licensure as a paramedic, certification as a first responder, or certification as an emergency medical technician to have completed a board-approved educational course on the transmission, control, treatment, and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome with an emphasis on appropriate behavior and attitude change.

SECTION 22. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) For each licensure renewal of a paramedic following the issuance of an initial license or certification by the board, as a prerequisite for license or certification renewal, all individuals licensed under the provisions of this chapter shall be required to document continuing competence during the immediate past licensure or certification period as prescribed in administrative regulations promulgated by the board.

(2) The continuing competency requirement shall be documented by the emergency medical services medical director and reported as set forth by the board in administrative regulations promulgated in accordance with KRS Chapter 13A.

(3) The board shall approve providers of emergency medical services education and continuing education. The approval may include recognition of providers approved by national organizations and state boards of emergency medical services with comparable standards. Standards for these approvals shall be set forth by the board in administrative regulations promulgated in accordance with KRS Chapter 13A. The board need not approve the in-house conduct of in-service training of its own employees or volunteers by a licensed ambulance service.

(4) The board shall work cooperatively with professional emergency medical services organizations, approved schools, and other potential sources of continuing education programs to ensure that adequate continuing education offerings are available statewide. The board may enter into contractual agreements to implement the provisions of this section.

SECTION 23. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The conduct of proper in-service training, including, but not limited to, in-house in-service training, in accordance with the standards specified by this chapter, administrative regulations, and the standards of relevant United States Department of Transportation curricula shall be that of the provider of the in-service training.

(2) If in-service training is conducted by an ambulance service, emergency medical services provider, or educational institution, the organization, the instructor, and its medical director share responsibility for the provision of training which meets or exceeds the requirements of subsection (1) of this section.

(3) Persons and organizations providing in-service training for first responders, emergency medical technicians, or paramedics shall keep the records required by the board by administrative regulation and shall make them available to a representative of the board upon request.

(4) Failure to keep a record required by the board by administrative regulation or required to be kept by statute, falsifying a record, or grossly negligently maintaining a record required to be kept by administrative regulation or statute shall be subject to action by the office of the board.

(5) Providing in-service training not meeting or exceeding the requirements specified in subsections (1) and (2) of this section shall be subject to action of the office of the board.

(6) Penalties specified in this section shall be in addition to any action which the board may be permitted to take against the license or certification of any person or organization.

(7) The board may refuse to recognize any in-service training not conducted in accordance with the provisions of this chapter, U.S. Department of Transportation curricula, or administrative regulations promulgated pursuant to this chapter. If the board determines that in-service training will not be accepted, the denial of credit shall be extended to all persons who completed that specific in-service training.

SECTION 24. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall promulgate administrative regulations relating to paramedics. The administrative regulations may include the classification and licensure of paramedics, instructor-trainers, instructors, and students and trainees; examinations; standards of training and experience; curricula standards; administration of drugs and controlled substances by paramedics under the direction or supervision of licensed physicians; issuance and renewal of licenses; and such other administrative regulations as may be necessary for the protection of public health and safety in the delivery of emergency medical services.

(2) Relicensure programs shall be organized to include continuing education and in-service training approved by the board.

SECTION 25. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall promulgate administrative regulations relating to emergency medical technicians. The administrative regulations may include the classification and certification of emergency medical technicians, instructors, instructor-trainers, and students and trainees; examinations; standards of training and experience; curricula standards; issuance or renewal of certificates; hearing of appeals; and other administrative regulations as may be necessary for the protection of public health and safety in the delivery of emergency medical services. No additional testing or examinations shall be required for recertification, except for proficiency testing of new skills or knowledge, or areas in which there is documented evidence of deterioration of skills.

(2) Recertification programs shall be organized to include continuing education and in-service training approved by the board.

(3) Beginning July 14, 2000, a new emergency medical technician shall, for initial certification, be certified using the requirements and testing established by the National Registry of Emergency Medical Technicians or other agent chosen by the board.

(4) Beginning July 14, 2000, a certified emergency medical technician who seeks recertification shall obtain recertification under the requirements established and maintained by the board. These requirements shall contain a minimum of sixteen (16) hours of required topics and eight (8) hours of elective topics over a two (2) year recertification period. The board shall also recertify any emergency medical technician who chooses to obtain recertification under the requirements established by the National Registry of Emergency Medical Technicians or

other agent chosen by the board in lieu of the standards established by the board.

(5) Except as provided in Section 11 of this Act, the board shall not require any additional course work, in-service training, testing, or examinations of a person who chooses the National Registry of Emergency Medical Technicians or other agent chosen by the board for certification or recertification as an emergency medical technician.

(6) Any person licensed by the board as a paramedic shall be certified as an emergency medical technician by the board. The certification shall be issued without fee, without additional training, in-service training, testing, or examination. The emergency medical technician certification shall be issued and expire at the same time that the paramedic license is issued or expires, and if a paramedic voluntarily gives up his or her license prior to the expiration of his or her paramedic license, his or her emergency medical technician certification shall be unaffected thereby. If a paramedic chooses not to be relicensed as a paramedic but chooses to retain his emergency medical technician certification, the paramedic shall, prior to the expiration of his paramedic license, complete the requirements for recertification as an emergency medical technician utilizing one (1) of the methods provided for in this section.

(7) A paramedic whose license as a paramedic or certification as an emergency medical technician is suspended, revoked, or denied by the board shall have the same action taken automatically with regard to his emergency medical technician certification or paramedic license.

SECTION 26. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board may, by administrative regulation, prescribe a reasonable schedule of fees and charges for:

- *(a) Examination;*
- *(b) Issuance, renewal, and reinstatement of licenses;*
- *(c) Issuance, renewal, and reinstatement of certifications;*
- *(d) Inspections and reinspections;*
- *(e) Applications; and*
- *(f) Other services and materials provided by the board.*

(2) All fees, charges, or other moneys collected or received by the board shall be paid into the State Treasury and credited to a trust and agency fund which shall not lapse, to be used by the board for the carrying out of the provisions of this chapter.

SECTION 27. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

A paramedic licensed pursuant to this chapter and a first responder certified pursuant to this chapter shall have the privileges and immunities specified in KRS 411.148, subject to the provisions of that statute.

SECTION 28. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) There shall be an emergency medical services grant program to provide funding to each county for the direct operation of emergency medical services, including, but not limited to, purchase or lease of ambulances or equipment. Funds available shall not be used to fund personnel or consultant salaries.

(2) Funds appropriated to or received by the emergency medical services grant program shall be placed in a trust and agency account in the State Treasury and shall not lapse.

(3) The board shall administer the emergency medical services grant program and may promulgate administrative regulations, which shall include, but not be limited to, funding criteria necessary for its implementation and operation.

(4) Twenty percent (20%) of the funds received each fiscal year for the grant program may be withheld from general distribution and shall be distributed for emergency purposes only.

(5) Grants may be made each fiscal year to each county fiscal court determined to be eligible by the board for distribution to public ambulance services operated by or for the county. A county may keep funds appropriated to them for a period of two (2) years, if desired, for expenditure for authorized purposes. At the end of two (2) years from the date of the receipt of the grant, the county shall return any funds remaining unexpended to the emergency medical services grant fund. Each expenditure made by the fiscal court from grant funds provided to the county shall be documented, with appropriate receipts or other documents, and a copy of each receipt or other document shall be provided to the board to verify that the expenditure was proper. The board shall require reimbursement to the emergency medical services fund by the county, with interest at a rate of twenty percent (20%) annually, for any funds expended for an unauthorized purpose. If the county fails or refuses to reimburse the fund, the board shall notify the Attorney General, who shall seek appropriate civil and criminal remedies.

(6) The board shall, annually, by January 1, promulgate administrative regulations specifying items of equipment and other authorized expenditures for the upcoming fiscal year. No funds shall be provided to the county until after the start of the fiscal year.

(7) The board may, in the event of a documented situation which the board considers to be an emergency and beyond the ability of the county to pay, provide emergency funding to the fiscal court for an ambulance or authorized equipment which has been damaged or destroyed. Normal replacement of an ambulance or equipment shall not be considered an emergency. The amount of funding that may be provided by the board shall not exceed ten thousand dollars ($10,000).

Only one (1) emergency funding request shall be granted for any county in each fiscal year. The amount of the emergency grant to the county shall be deducted from the county's grant for the next fiscal year.

SECTION 29. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) A first responder may, subject to the provisions of this section, perform any procedure:

(a) Specified in the most recent curriculum of the United States Department of Transportation training course for first responders; and

(b) Any additional procedure authorized by the board by administrative regulation.

(2) When there is a change in the United States Department of Transportation curriculum for first responders or the board approves an additional skill or procedure by administrative regulation, no person who was not trained under that curriculum shall perform any activity or procedure authorized by the new curriculum or administrative regulation unless the person has been trained according to the new curriculum or administrative regulation and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the first responder shall successfully complete the new material or lose his or her certification as a first responder.

(3) Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing emergency medical services to its citizens nor to prevent the employer from exercising any reasonable control over first responders providing emergency medical care on behalf of a licensed entity or other provider.

(4) Nothing in this section shall be construed to permit utilization of any certified first responder for the purpose of such individual working with primary responsibility and duties limited to hospitals, physician's offices, clinics, or other definitive care facilities, except as a first responder trainee or as a full-time instructor of first responders.

SECTION 30. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) An emergency medical technician may, subject to the provisions of this section, perform any procedure:

(a) Specified in the most recent curriculum of the United States Department of Transportation training course for emergency medical technicians; and

(b) Any additional procedure authorized by the board by administrative regulation.

(2) When there is a change in the United States Department of Transportation curriculum for emergency medical technicians or the board approves an additional skill or procedure by administrative regulation, no person who was not trained under that curriculum or administrative regulation shall perform any activity or procedure in the new curriculum or administrative regulation unless the person has been trained according to the new curriculum or administrative regulation and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the emergency medical technician shall successfully complete the new material or lose his or her certification as an emergency medical technician.

(3) Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing emergency medical services to its citizens nor prevent the employer from exercising any reasonable control over emergency medical technicians providing emergency medical care upon behalf of the licensed entity or other provider.

(4) Nothing in this section shall be construed to permit utilization of a certified emergency medical technician for the purpose of such individual working with primary responsibility and duties limited to hospitals, physician's offices, clinics, or other definitive care facilities, except as an emergency medical technician trainee or a full-time instructor of emergency medical technicians.

SECTION 31. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) Subject to the provisions of this section, a paramedic may perform any procedure:

(a) Specified in the most recent curriculum of the United States Department of Transportation training course for paramedics; and

(b) Any additional procedure specified by the board by administrative regulation.

(2) When there is a change in the United States Department of Transportation curriculum for paramedics, or the board approves an additional skill or procedure by administrative regulation, or approves a protocol differing from the curriculum or administrative regulations, no person who was not trained under that curriculum or administrative regulation shall perform any activity or procedure in the new curriculum, administrative regulation, or protocol unless the person has been trained according to the new curriculum, administrative regulation, or protocol and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an

administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the paramedic shall successfully complete the material or lose his or her license as a paramedic.

(3) A paramedic may draw blood samples from a criminal defendant upon the request of a peace officer and the consent of the defendant, or without the consent of the defendant upon receipt of a court order requiring the procedure, if the paramedic is authorized to do so by his or her employer. The authorization shall be in writing and may be by general written policy of the employer and the service's medical director. The paramedic who drew the blood sample shall deliver the sample to the peace officer or other person specified by the court in a court order and shall testify in court with regard thereto upon service of a proper subpoena.

(4) A paramedic shall be permitted to render services only under the supervision of an emergency medical services medical director.

(5) Any provision of this chapter other than this section relating to the supervision of a paramedic, requirement for additional training, requirement for skill examination, or approval of standing orders, protocols, or medical procedures to the contrary notwithstanding, a paramedic may be employed by a hospital to work as a licensed paramedic in the emergency department of the hospital subject to the following conditions:

- *(a) The hospital designates a physician meeting the requirements specified in Section 4 of this Act either employed by the hospital or who has staff privileges at the hospital and is under contract to the hospital to be the medical director for all paramedics who work in the emergency department of the hospital;*
- *(b) The hospital medical staff provides written standing orders, protocols, medical procedures, and hospital procedures by which paramedics shall operate;*
- *(c) A paramedic shall function in the emergency department under the orders of a physician employed by the hospital, a physician who by contract has staff privileges at the hospital, or a physician specified in the standing orders, protocols, or medical procedures issued by the hospital;*
- *(d) A physician designated in paragraph (c) of this subsection may designate an advanced registered nurse practitioner or registered nurse who is employed by or who by contract has staff privileges at the hospital or who is specified in the standing orders, protocols, or medical procedures issued by the hospital to convey physician's orders to a paramedic;*
- *(e) Subject to the provisions relating to the scope of practice of a paramedic, a hospital may require a paramedic to take additional training on any subject or skill which the paramedic may be required to perform in a hospital and demonstrate competency in the skill or subject to a competent evaluator; and*
- *(f) The paramedic does not violate the provisions of Section 32 of this Act or any other statute or administrative regulation relating to a paramedic.*

No provision of this section shall prevent a paramedic from being employed in any other section of the hospital where the paramedic's job duties do not require certification or licensure by the board and do not otherwise constitute the unlawful practice of medicine.

(6) Other than a paramedic working in a hospital, no paramedic shall take orders from a nurse unless:

- *(a) The nurse is employed by an ambulance service and the nurse is conveying orders of a physician; or*
- *(b) The nurse is the owner or supervisor of the ambulance service and the orders are either covered by paragraph (a) of this subsection or are nonmedical in nature.*

(7) Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing medical services to its citizens nor prevent the employer from exercising any reasonable control over paramedics providing care on behalf of the licensed entity.

SECTION 32. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) No first responder shall perform any act or procedure which exceeds the scope of practice of a first responder as specified in this chapter and in administrative regulations promulgated by the board.

(2) No emergency medical technician shall perform any act or procedure which exceeds the scope of practice of an emergency medical technician as specified in this chapter and in administrative regulations promulgated by the board.

(3) No paramedic shall perform any act or procedure which exceeds the scope of practice of a paramedic as specified in this chapter, administrative regulations promulgated by the board, protocol, standing order, or other document approved by the board.

(4) A first responder, emergency medical technician, or paramedic is presumed to know the standards of practice for his or her level of certification or licensure.

(5) It is the legal duty of a first responder, emergency medical technician, or paramedic to refuse to perform any act or procedure which is beyond his or her scope of practice regardless of whether that act or procedure is ordered by a physician, medical director, advanced registered nurse practitioner, registered nurse, or supervisor.

(6) No physician, medical director, advanced registered nurse practitioner, registered nurse, or supervisor of a first responder, emergency medical technician, or paramedic shall give an order to a first responder, emergency medical technician, or paramedic which they know, or should have known, exceeds the scope of practice of the person to whom

the order is given.

(7) No employer or organization for which a first responder, emergency medical technician, or paramedic has volunteered shall reprimand, discipline, or dismiss a first responder, emergency medical technician, or paramedic who has refused to perform an act or procedure which the first responder, emergency medical technician, or paramedic knows is in violation of the provisions of this section. Violation of this section by an employer or by an organization for which a first responder has volunteered shall be grounds for a legal action for wrongful discipline or wrongful discharge, as appropriate.

(8) The provisions of this section shall not apply to an order to perform an act or procedure:

(a) For which a license or certification by the board is not required and which otherwise do not constitute the unlawful practice of medicine; or

(b) For which no license or certification is required and does not involve medical care or treatment; or

(c) For which a license or certification issued by an agency other than the board is required and the first responder, emergency medical technician, or paramedic holds such a license or certification.

SECTION 33. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) Each emergency medical services medical director for an ambulance service, or other emergency medical services provider, shall submit his or her protocols, standing orders, and similar medical control documents to the board for approval prior to placing the document in use.

(2) The medical advisor for the board shall review each document submitted to ascertain if it is in accordance with accepted standards of medical care and in accordance with the provisions of this chapter and administrative regulations promulgated thereunder. If the protocol, standing order, or other medical control document clearly violates the accepted standards of medical care, this chapter, or an administrative regulation, the medical advisor shall notify the emergency medical services medical director of the exact violation and recommend a correction thereof.

(3) Following review of protocol, standing order, and medical control documents and giving the emergency medical services medical director who submitted the documents an opportunity to review the medical advisor's comments, the medical advisor shall submit the documents together with his or her comments to the board for approval or disapproval.

(4) The board shall approve, disapprove, or approve with modifications protocol, standing order, and medical control documents submitted by the emergency medical services medical director at its next regular or special meeting following the submission of the documents.

(5) If a protocol, standing order, or other medical control document is disapproved by the board, the emergency medical services medical director who submitted it may appeal the decision to the Franklin Circuit Court. If the decision of the board is appealed to the Franklin Circuit Court, the board shall bear the burden of proving that the protocol, standing order, or other medical control document violates the accepted standards of medical care, or an administrative regulation.

(6) The board shall, by administrative regulation, specify a schedule for submission and prompt review and decision making with regard to protocols, standing orders, and medical control documents submitted to the board.

SECTION 34. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) When it appears that a person whom a paramedic who has successfully completed training in determination of death has been called to attend is dead, the paramedic shall, utilizing the protocol specified by the board by administrative regulation, determine whether or not the patient is dead after resuscitation of the patient is attempted by the paramedic or an emergency medical technician who has responded with or after the paramedic, unless the protocol indicates that the patient is not capable of being resuscitated. If, after resuscitation has been attempted on a patient who the protocol deems is capable of being resuscitated, the patient has not been successfully resuscitated according to the protocol, the paramedic may discontinue further resuscitation efforts and proceed to determine whether the patient is dead and whether to declare the patient dead. If it is determined that death has occurred in accordance with the procedures of KRS 446.400 with regard to patients who have not been resuscitated, the paramedic may make the actual determination and pronouncement of death. This section shall not apply to patients who are in a hospital when apparent death occurs.

(2) In the event that a paramedic determines that a person is dead, the paramedic shall make the notifications required by KRS 72.020 and take the protective actions required by that statute.

(3) Any paramedic course taught after July 15, 1998, shall include a course of instruction on the determination of death and preservation of evidence as required by the board by administrative regulation.

(4) Any paramedic from another jurisdiction desiring to become a paramedic in Kentucky shall show evidence of successful completion of a training course in Kentucky meeting the requirements of subsection (3) of this section, and licensure as a paramedic shall be denied if the required evidence is not shown.

(5) The administration of cardiopulmonary resuscitation or other basic life support measures to the apparently dead person prior to the arrival of the paramedic by any person, for the purposes of this section and KRS 446.400, shall not be considered as artificial maintenance of respiration and circulation. The administration of advanced cardiac life

support procedures by any person, other than a registered nurse rendering care pursuant to KRS 314.181, prior to the arrival of the paramedic shall preclude the determination of death by the paramedic, and the provisions of KRS 446.400 shall apply. However, nothing in this section shall preclude the supervising physician from directing the paramedic to cease resuscitative efforts under approved agency medical protocols.

(6) The resuscitative efforts of a paramedic under the protocols authorized by this section shall not invoke the provisions of KRS 446.400.

Section 35. KRS 311.550 is amended to read as follows:

As used in KRS 311.530 to 311.620 and KRS 311.990(4) to (6):

(1) "Board" means the State Board of Medical Licensure;

(2) "President" means the president of the State Board of Medical Licensure;

(3) "Secretary" means the secretary of the State Board of Medical Licensure;

(4) "Executive director" means the executive director of the State Board of Medical Licensure or any assistant executive directors appointed by the board;

(5) "General counsel" means the general counsel of the State Board of Medical Licensure or any assistant general counsel appointed by the board;

(6) "Regular license" means a license to practice medicine or osteopathy at any place in this state;

(7) "Limited license" means a license to practice medicine or osteopathy in a specific institution or locale to the extent indicated in the license;

(8) "Temporary permit" means a permit issued to a person who has applied for a regular or limited license, and who appears from verifiable information in the application to the secretary to be qualified and eligible therefor;

(9) "Emergency permit" means a permit issued to a physician currently licensed in another state, authorizing the physician to practice in this state for the duration of a specific medical emergency, not to exceed thirty (30) days;

(10) Except as provided in subsection (11) of this section, the "practice of medicine or osteopathy" means the diagnosis, treatment, or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices, or instrumentalities;

(11) The "practice of medicine or osteopathy" does not include the practice of Christian Science, the practice of podiatry as defined in KRS 311.380, the practice of a midlevel health care practitioner as defined in KRS 216.900, the practice of dentistry as defined in KRS 313.010, the practice of optometry as defined in KRS 320.210, the practice of chiropractic as defined in subsection (2) of KRS 312.015, the practice as a nurse as defined in KRS 314.011, the practice of physical therapy as defined in KRS 327.010, the performance of duties for which they have been trained by paramedics licensed under KRS ***Chapter 311A***[~~311.652 to 311.658~~], [~~emergency medical technician~~] first responders, or emergency medical technicians certified under KRS ***Chapter 311A***[~~311.652 to 311.658~~], the practice of pharmacy by persons licensed and registered under KRS 315.050, the sale of drugs, nostrums, patented or proprietary medicines, trusses, supports, spectacles, eyeglasses, lenses, instruments, apparatus, or mechanisms that are intended, advertised, or represented as being for the treatment, correction, cure, or relief of any human ailment, disease, injury, infirmity, or condition, in regular mercantile establishments, or the practice of midwifery by women. KRS 311.530 to 311.620 shall not be construed as repealing the authority conferred on the Cabinet for Health Services by KRS Chapter 211 to provide for the instruction, examination, licensing, and registration of all midwives through county health officers;

(12) "Physician" means a doctor of medicine or a doctor of osteopathy;

(13) "Grievance" means any allegation in whatever form alleging misconduct by a physician;

(14) "Charge" means a specific allegation alleging a violation of a specified provision of this chapter;

(15) "Complaint" means a formal administrative pleading that sets forth charges against a physician and commences a formal disciplinary proceeding;

(16) As used in KRS 311.595(4), "crimes involving moral turpitude" shall mean those crimes which have dishonesty as a fundamental and necessary element, including, but not limited to, crimes involving theft, embezzlement, false swearing, perjury, fraud, or misrepresentation;

(17) "Physician assistant" means a person who has graduated from a physician assistant or surgeon assistant program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs and who has passed the certifying examination administered by the National Commission on Certification of Physician Assistants or who possesses a current physician assistant certificate issued by the board prior to July 15, 1998;

(18) "Supervising physician" means a physician licensed by the board who supervises physician assistants; and

(19) "Supervision" means overseeing the activities of, and accepting responsibility for, the medical services rendered by a physician assistant. The constant physical presence of the supervising physician is not required so long as the supervising physician and physician assistant are or can be easily in contact with one another by radio, telephone, or other telecommunication device. Each team of physicians and physician assistants shall ensure that the delegation of medical

tasks is appropriate to the physician assistant's level of training and experience; that the identification of and access to the supervising physician is defined; and that a process for evaluation of the physician assistant's performance is established.

(20) "Telehealth" means the use of interactive audio, video, or other electronic media to deliver health care. It includes the use of electronic media for diagnosis, consultation, treatment, transfer of medical data, and medical education.

SECTION 36. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) Each licensed ambulance provider and medical first response provider as defined in this chapter shall collect and provide to the board run data and information required by the board by this chapter and administrative regulation.

(2) The board shall develop a run report form for the use of each class of ambulance provider and medical first response provider containing the data required in subsection (1) of this section. An ambulance provider or medical first response provider may utilize any run form it chooses in lieu of or in addition to the board developed run report form. However, the data captured on the run report form shall include at least that required by the administrative regulations promulgated pursuant to subsection (1) of this section.

(3) An ambulance provider or medical first response provider shall report the required run report data and information by completing an annual report as established by the board or by transmitting the required data and information to the board in an electronic format. If the board requires the use of a specific electronic format, it shall provide a copy of the file layout requirements, in either written or electronic format, to the licensed ambulance provider or medical first response provider at no charge.

(4) The board may publish a comprehensive annual report reflecting the data collected, injury and illness data, treatment utilized, and other information deemed important by the board. The annual report shall not include patient identifying information or any other information identifying a natural person. A copy of the comprehensive annual report, if issued, shall be forwarded to the Governor and the General Assembly.

(5) Ambulance provider and medical first response provider run report forms and the information transmitted electronically to the board shall be confidential. No person shall make an unauthorized release of information on an ambulance run report form or medical first response run report form. Only the patient or the patient's parent or legal guardian if the patient is a minor, or the patient's legal guardian or person with proper power of attorney if the patient is under legal disability as being incompetent or mentally ill, or a court of competent jurisdiction may authorize the release of information on a patient's run report form or the inspection or copying of the run report form. Any authorization for the release of information or for inspection or copying of a run report form shall be in writing.

(6) If a medical first response provider or ambulance provider does not use a paper form but collects patient data through electronic means, it shall have the means of providing a written run report that includes all required data elements to the medical care facility. A copy of the medical first response form or a summary of the run data and patient information shall be made available to the ambulance service that transports the patient. A copy of the ambulance run report form shall be made available to any medical care facility to which a patient is transported and shall be included in the patient's medical record by that facility. If a patient is not transported to a medical facility, the copy of the run report form that is to be given to the transporting ambulance provider or medical care facility shall be given to the patient or to the patient's parent or legal guardian. If the ambulance provider, medical facility, patient, or patient's legal guardian refuses delivery of their run report form or is unavailable to receive the form, that copy of the form shall be returned to the medical first response provider or ambulance provider and destroyed.

(7) All ambulance services shall be required to keep adequate reports and records to be maintained at the ambulance base headquarters and to be available for periodic review as deemed necessary by the board. Required records and reports are as follows:

  (a) Employee records, including a resume of each employee's training and experience and evidence of current certification; and

  (b) Health records of all drivers and attendants including records of all illnesses or accidents occurring while on duty.

(8) Data and records generated and kept by the board or its contractors regarding the evaluation of emergency medical care and trauma care in the Commonwealth, including the identities of patients, emergency medical services personnel, ambulance providers, medical first-response providers, and emergency medical facilities, shall be confidential, shall not be subject to disclosure under KRS 61.805 to 61.850 or KRS 61.870 to 61.884, shall not be admissible in court for any purpose, and shall not be subject to discovery. However, nothing in this section shall limit the discoverability or admissibility of patient medical records regularly and ordinarily kept in the course of a patient's treatment that otherwise would be admissible or discoverable.

Section 37. KRS 281.014 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) (a) The term "city taxicab certificate" or "city limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to the corporate limits of a city of the first or second class or an urban-county area and the city's suburban area, or the corporate limits of any city and its suburban area located in a county which contains a city of the first

or second class or an urban-county area, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of such transportation;

(b) The term "county taxicab certificate" or "county limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to a specific county which does not contain a city of the first or second class and is not an urban-county area, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of the transportation;

(c) A "taxicab" means a motor vehicle operated under one (1) or more taxicab certificates, and is a vehicle designed or constructed to transport not more than fifteen (15) passengers exclusive of the driver;

(d) A "limousine" means a luxury motor vehicle passenger car which has either a standard or an extended wheelbase. The vehicle shall have additional rear seating capacity, area, and comforts, but shall be designed or constructed to transport not more than fifteen (15) passengers plus the driver;

(e) The term "taxicab license" means a license plate issued to a taxicab authorized to operate under a taxicab certificate;

(f) The term "limousine license" means a license plate issued to a limousine authorized to operate under a limousine certificate;

(2) (a) An "airport shuttle certificate" means a certificate granting authority only for the operation of motor vehicles exclusively transporting passengers or baggage for hire over regular routes between points within a city or its suburban area and an airport;

(b) An "airport shuttle vehicle" means a motor vehicle operated under one (1) or more airport shuttle certificates and which is designed or constructed to transport not more than fifteen (15) passengers plus the driver;

(c) The term "airport shuttle vehicle license" means a license plate issued for a motor vehicle authorizing its operation under one (1) or more airport shuttle certificates;

(3) The term "U-Drive-It" means any person who leases or rents a motor vehicle for a consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee;

(4) The term "driveaway" means the transporting and delivering of motor vehicles, except semitrailers, and trailers, whether destined to be used in either a private or for-hire capacity, under their own power or by means of a full mount method, saddle mount method, the tow bar method, or any combination of them over the highways of this state from any point of origin to any point of destination for-hire. The transportation of such vehicles by the full mount method on trailers or semitrailers shall not be included in the term;

(5) (a) "Disabled persons vehicle" means a motor vehicle especially equipped and used for the transportation of persons with disabilities and which is in compliance with the accessibility specifications of 49 C.F.R. Part 38, but it shall be designed and constructed to transport not more than fifteen (15) passengers plus the driver. It shall not mean an ambulance as defined in ***Section 1 of this Act***[~~KRS 311.6521~~]. It shall not mean a motor vehicle equipped with a stretcher;

(b) "Disabled persons carrier" means an irregular route common carrier for hire, transporting the general public who require transportation in disabled persons vehicles;

(c) "Disabled persons certificate" means a certificate that grants authority only for the operation of a given number of disabled persons vehicles for hire, the principal operation of which is confined to a specific county;

(6) "Human service transportation delivery" means the provision of transportation services to any person that is an eligible recipient in one (1) of the following state programs:

(a) Nonemergency medical transportation under KRS Chapter 205;

(b) Mental health, mental retardation, or comprehensive care under KRS Chapter 202A, 202B, 210, or 645;

(c) Kentucky Works Program under KRS Chapter 194 or 205;

(d) Aging services under KRS Chapter 205, 209, 216, or 273;

(e) Vocational rehabilitation under KRS 151B or 157; or

(f) Blind industries or rehabilitation under KRS Chapter 151B or 163;

(7) "Delivery area" means one (1) or more regions established by the cabinet in administrative regulations promulgated under KRS Chapter 13A for the purpose of providing human service transportation delivery in that region;

(8) "Broker" means a person selected by the cabinet through a request for proposal process to coordinate human service transportation delivery within a specific delivery area. A broker may also provide transportation services within the specific delivery area for which the broker is under contract with the cabinet;

(9) "Subcontractor" means a person who has signed a contract with a broker to provide human service transportation delivery within a specific delivery area and who meets human service transportation delivery requirements, including proper operating authority; and

(10) "CTAC" means the Coordinated Transportation Advisory Committee created under KRS 281.870.

Section 38. KRS 281.605 is amended to read as follows:

The provisions of this chapter shall not apply, except as to safety regulations, to:

(1) Motor vehicles used as school buses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities;

(2) Except as provided in paragraph (e) of this subsection, motor vehicles, regardless of ownership, used exclusively:

(a) For the transportation of agricultural and dairy products, including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry, and eggs, while owned by the producer of the products, including landlord where the relation of landlord and tenant or landlord and cropper is involved, from the farm to a market, warehouse, dairy, or mill, or from one (1) market, warehouse, dairy, or mill to another market, warehouse, dairy, or mill;

(b) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essential to farm operation, from market or shipping terminal to farm;

(c) For both the purposes described in paragraphs (a) and (b) of this subsection;

(d) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return; or

(e) Motor vehicles used for the transportation of fly ash, in bags, sacks, or other containers, the aggregate weight of which does not exceed ten thousand (10,000) pounds; or bottom ash, waste ash, sludge, and pozatec which is being removed from the premises of a power generator facility for the purpose of disposal;

(3) Motor vehicles used exclusively as church buses and while operated in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities;

(4) Motor vehicles used exclusively for the transportation of property belonging to a nonprofit cooperative association or its members where the vehicle is owned or leased exclusively by the association;

(5) Motor vehicles owned in whole or in part by any person and used by such person to transport commodities of which such person is the bona fide owner, lessee, consignee, or bailee; provided, however, that such transportation is for the purpose of sale, lease, rent, or bailment, and is an incidental adjunct to an established private business owned and operated by such person within the scope and in furtherance of any primary commercial enterprise of such person other than the business of transportation of property for hire;

(6) Motor vehicles used in pick-up or delivery service within a city or within a city and its commercial area for a carrier by rail;

(7) Motor vehicles used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple where the railhead or tipple is located at a point not more than fifty (50) air miles from the point at which the coal is mined;

(8) Motor vehicles used as ambulances in transporting wounded, injured, or sick animals or as ambulances as defined in *Section 1 of this Act*~~[KRS 311.6521]~~;

(9) Motor vehicles used by transit authorities as created and defined in KRS Chapter 96A except as required by KRS 96A.170. Vehicles operated under the authority and direct responsibility of such transit authorities, through contractual agreement, shall be included within this exemption, without regard to the legal ownership of the vehicles, but only for such times as they are operated under the authority and responsibility of the transit authority;

(10) Motor vehicles having a seating capacity of fifteen (15) or fewer passengers and while transporting persons between their places of residence, on the one hand, and, on the other, their places of employment, provided the driver himself is on his way to or from his place of employment, and further provided that any person who operates or controls the operation of vehicles hereunder of which said person is the owner or lessee, and any spouse of said person and any partnership or corporation with said person or his spouse having an interest therein doing such, shall be eligible to so operate an aggregate number of not more than one (1) vehicle on other than a nonprofit basis;

(11) Motor vehicles used to transport cash letters, data processing material, instruments, or documents, regardless of the ownership of any of said cash letters, data processing material, instruments, or documents;

(12) Motor vehicles operated by integrated intermodal small package carriers who provide intermodal-air-and-ground-transportation. For the purposes of this section, "integrated intermodal small package carrier" shall mean an air carrier holding a certificate of public convenience and necessity or qualifying as an indirect air carrier that undertakes, by itself or through a company affiliated through common ownership, to provide intermodal-air-and-ground-transportation, and "intermodal-air-and-ground-transportation" shall mean transportation involving the carriage of articles weighing not more than one hundred fifty (150) pounds by aircraft or other forms of transportation, including by motor vehicle, wholly within the Commonwealth of Kentucky. The incidental or occasional use of aircraft in transporting packages or articles shall not constitute an integrated intermodal operation within the meaning of this section; or

(13) Motor vehicles operated pursuant to a grant of funds in furtherance of and governed by 49 U.S.C. secs. 5310 or 5311,

including all amendments, and whose operators have jurisdictions and services approved annually by the Transportation Cabinet in accordance with 49 C.F.R. Title VI.

Section 39. KRS 311.666 is amended to read as follows:

As used in KRS 311.665 to 311.669, unless the context requires otherwise:

(1) "Automated external defibrillator" or "AED" means an external defibrillator capable of cardiac rhythm analysis which will charge and, with or without further operator action, deliver a shock after electronically detecting and assessing ventricular fibrillation or rapid ventricular tachycardia. These devices are known as fully or semiautomatic defibrillators;

(2) "Cardiopulmonary resuscitation" or "CPR" means a basic emergency procedure for life support, consisting of artificial respiration and manual external cardiac massage; and

(3) "Emergency medical services system" means the same as in *Section 1 of this Act*~~[KRS 311.6521]~~.

Section 40. KRS 311.669 is amended to read as follows:

(1) The provisions of KRS 311.665 to 311.669 shall not apply to the use of an AED by:

(a) Physicians, podiatrists, or osteopaths licensed under KRS Chapter 311 or chiropractors licensed under KRS Chapter 312;

(b) Physician assistants as defined in KRS 311.550;

(c) Registered nurses, practical nurses, or advanced registered nurse practitioners licensed under KRS Chapter 314;

(d) Dentists licensed under KRS Chapter 313; or

(e) Paramedics *licensed or first responders*~~[certified under KRS 311.654]~~, or emergency medical technicians certified*,* under KRS *Chapter 311A*~~[211.964]~~.

(2) Nothing in this section shall preclude the licensing boards referred to in subsection (1) of this section from requiring continuing education or training on the use of an AED.

Section 41. KRS 314.181 is amended to read as follows:

(1) A registered nurse who is employed by an ambulance service shall complete training in determination of death and preservation of evidence as required by the board through the promulgation of administrative regulations in accordance with KRS Chapter 13A.

(2) A registered nurse who is employed by an ambulance service shall determine whether or not a patient served by the ambulance service is dead. The registered nurse shall utilize the protocol specified by the board by administrative regulations. The registered nurse shall, when responding to a patient, first attempt resuscitation, unless the protocol indicates that the patient is not capable of being resuscitated.

(3) If it is determined that death has occurred in accordance with the procedures of KRS 446.400(1) concerning patients whose circulation and respiration are not being artificially maintained, the registered nurse who is employed by an ambulance service may make the actual determination and pronouncement of death.

(4) When the determination and pronouncement of death of a patient whose circulation and respiration are not being artificially maintained, as required under KRS 446.400(1), occurs in a hospital or nursing facility, that declaration may be made by a registered nurse, in addition to any other person permitted by law to determine and pronounce death. The nurse shall notify the patient's attending physician of the death in accordance with the hospital's or facility's policy.

(5) In the event that a registered nurse who is employed by an ambulance service determines that a person is dead, the registered nurse shall make the notifications required by KRS 72.020 and take the protective actions required by that statute.

(6) The administration of cardiopulmonary resuscitation or other basic life support measures to the apparently dead person, prior to the arrival of the registered nurse who is employed by an ambulance service, by any person shall not be considered as artificial maintenance of respiration and circulation for the purposes of this section and KRS 446.400. The administration of advanced cardiac life support procedures by any person, other than a paramedic rendering care pursuant to *Section 33 of this Act*~~[KRS 311.660]~~, prior to the arrival of the registered nurse shall preclude the determination of death by the registered nurse, and the provisions of KRS 446.400 shall apply. Nothing in this section shall preclude the supervising physician from directing the registered nurse who is employed by an ambulance service to cease resuscitative efforts under approved agency medical protocols.

(7) The resuscitative efforts of a nurse under protocols authorized by this section shall not invoke the provisions of KRS 446.400.

Section 42. The following KRS sections are repealed:

216B.410 Reports and records of licensed ambulance providers and medical first response providers -- Annual report by cabinet -- Exemptions from disclosure requirements.

311.652 Current valid license required -- Violation of law or regulation.

311.6521 Definitions for KRS 311.652 to 311.658.

311.6522 Current valid certification as emergency medical technician required -- Violation of law or administrative regulations.

311.6523 Kentucky Board of Emergency Medical Services -- Members -- Duties.

311.6524 Board to promulgate administrative regulations to carry out the functions of KRS 311.652 to 311.658.

311.6525 Legislative declaration of purpose of KRS 311.6526.

311.6526 Emergency Medical Services for Children Program.

311.653 Educational course concerning AIDS required for certification.

311.6531 Educational course concerning AIDS required for certification as emergency medical technician.

311.654 Administrative regulations.

311.6541 Administrative regulations -- Certification and recertification procedures for emergency medical technicians and others.

311.656 Fees and charges.

311.6561 Fees and charges.

311.6563 Matching fund program to assist local units of government to purchase ambulances and equipment and provide for and educate trained emergency medical services personnel.

311.6577 Investigation and discipline of entities licensed by the board, paramedics, emergency medical technician first responders, and emergency medical technicians -- Sanctions -- Appeals.

311.6579 Certification and utilization of emergency medical technicians and first responders restricted.

311.658 Services permitted -- Supervision.

311.660 Paramedic's resuscitation protocol -- Determination of death -- Training -- Procedures not deemed artificial maintenance of respiration and circulation.

The Committee Substitute to **HB 469** is as follows:

HB 469, AN ACT relating to emergency medical services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 311A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context otherwise requires:

(1) "Ambulance" means a vehicle which has been inspected and approved by the board, including a helicopter or fixed-wing aircraft, except vehicles or aircraft operated by the United States government, that are specially designed, constructed, or have been modified or equipped with the intent of using the same, for the purpose of transporting any individual who is sick, injured, or otherwise incapacitated who may require immediate stabilization or continued medical response and intervention during transit or upon arrival at the patient's destination to safeguard the patient's life or physical well-being;

(2) "Ambulance provider" means any individual or private or public organization, except the United States government, who is licensed by the board to provide medical transportation services at either basic life support level or advanced life support level and who may have a vehicle or vehicles, including ground vehicles, helicopters, or fixed-wing aircraft to provide such transportation. An ambulance provider may be licensed as an air ambulance provider, as a Class I ground ambulance provider, as a Class II ground ambulance provider, or as a Class III ground ambulance provider;

(3) "Board" means the Kentucky Board of Emergency Medical Services;

(4) "Emergency medical facility" means a hospital or any other institution licensed by the Cabinet for Health Services that furnishes emergency medical services;

(5) "Emergency medical services" means the services utilized in providing care for the perceived individual need for immediate medical care to protect against loss of life, or aggravation of physiological or psychological illness or injury;

(6) "Emergency Medical Services for Children Program" or "EMSC Program" means the program established under this chapter;

(7) "Emergency medical services personnel" means persons, certified or licensed, and trained to provide emergency medical services, and an authorized emergency medical services medical director, whether on a paid or volunteer basis;

(8) "Emergency medical services system" means a coordinated system of health-care delivery that responds to the needs of acutely sick and injured adults and children, and includes community education and prevention programs, centralized access and emergency medical dispatch, communications networks, trained emergency medical services personnel, medical first response, ground and air ambulance services, trauma care systems, mass casualty management, medical direction, and quality control and system evaluation procedures;

(9) "Emergency medical services training or educational institution" means any person or organization which provides emergency medical services training or education or in-service training, other than a licensed ambulance service which provides training, or in-service training in-house for its own employees or volunteers.

(10) "Emergency medical technician" or "EMT" means a person certified under this chapter as an EMT-basic, EMT-basic instructor, or EMT-instructor trainer;

(11) "First responder" means a person certified under this chapter as a first responder or first responder instructor;

(12) "Emergency medical services medical director" means a physician licensed in Kentucky who is employed by, under contract to, or has volunteered to provide supervision for a paramedic or an ambulance service, or both;

(13) "Paramedic" means a person who is involved in the delivery of medical services and is licensed under this chapter;

(14) "Paramedic course coordinator" means a person certified under this chapter to coordinate a paramedic course. A paramedic course coordinator shall not practice as a paramedic unless they are also licensed as a paramedic;

(15) "Paramedic preceptor" means a licensed paramedic who supervises a paramedic student during the field portion of the student's training;

(16) "Prehospital care" means the provision of emergency medical services or transportation by trained and certified or licensed emergency medical services personnel at the scene or while transporting sick or injured persons to a hospital or other emergency medical facility; and

(17) "Trauma" means a single or multisystem life-threatening or limb-threatening injury requiring immediate medical or surgical intervention or treatment to prevent death or permanent disability.

SECTION 2. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Board of Emergency Medical Services is created and shall consist of eighteen (18) members who are residents of Kentucky appointed by the Governor in conjunction with recognized state emergency medical services related organizations. Membership shall be made up of the following:

(a) One (1) paramedic who works for a government agency but is not serving in an educational, management, or supervisory capacity;

(b) One (1) emergency medical technician-basic who works for a government agency but is not serving in an educational, management, or supervisory capacity;

(c) One (1) first responder who is not serving in an educational, management, or supervisory capacity;

(d) One (1) physician licensed in Kentucky having a primary practice in the delivery of emergency medical care selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(e) One (1) physician licensed in Kentucky serving as medical director of an advanced life support ambulance service, selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(f) One (1) physician licensed in Kentucky who routinely is involved in the emergency care of ill and injured children selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(g) One (1) trauma surgeon licensed in Kentucky selected from a list of three (3) physicians submitted by the Kentucky Medical Association;

(h) One (1) citizen having no involvement in the delivery of medical or emergency services;

(i) One (1) emergency medical services educator from a Kentucky technical college, community college, college, or university that provides an emergency medical services educational program;

(j) One (1) mayor of a city that operates, either directly or through contract services, a licensed Class I ground ambulance service;

(k) One (1) county judge/executive from a county that operates, whether directly or through contract services, a licensed Class I ground ambulance service;

(l) One (1) volunteer-staffed, licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic;

(m) One (1) fire-service-based, licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic;

(n) One (1) licensed air ambulance service administrator or paramedic for a licensed air ambulance service headquartered in Kentucky;

(o) One (1) private licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic who is a resident of Kentucky;

(p) One (1) hospital administrator selected from a list of five (5) nominees submitted by the Kentucky Hospital Association;

(q) One (1) basic life support, licensed Class I government-operated ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic; and

(r) One (1) advanced life support, government-operated ambulance service administrator who is a certified emergency medical technician or a licensed paramedic.

(2) No board member shall serve more than two (2) consecutive terms. A member appointed to a partial term vacancy exceeding two (2) years shall be deemed to have served a full term. A former member may be reappointed following an

absence of one (1) term.

(3) The board shall annually:

(a) Meet at least six (6) times a year;

(b) In September, elect a chair and vice chair by majority vote of the members present; and

(c) Set a schedule of six (6) regular meetings for the next twelve (12) month period.

(4) The board shall adopt a quorum and rules of procedure by administrative regulation.

(5) (a) A member of the board who misses three (3) regular meetings in one (1) year shall be deemed to have resigned from the board and his or her position shall be deemed vacant.

(b) The failure of a board member to attend a special or emergency meeting shall not result in any penalty.

(c) The year specified in this subsection shall begin with the first meeting missed and end three hundred sixty-five (365) days later or with the third meeting missed, whichever occurs earlier.

(d) The Governor shall appoint a person of the same class to fill the vacancy within ninety (90) days.

(e) The person removed under this subsection shall not be reappointed to the board for ten (10) years.

(6) Members of the board shall be entitled to reimbursement for actual and necessary expenses when carrying out official duties of the board in accordance with state administrative regulations relating to travel reimbursement. The board shall meet at least six (6) times each year.

SECTION 3. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall:

(a) Exercise all of the administrative functions of the state not regulated by the Board of Medical Licensure or Cabinet for Health Services in the regulation of the emergency medical services system and the practice of first responders, emergency medical technicians, paramedics, ambulance services, and emergency medical services training institutions;

(b) Issue any licenses or certifications authorized by this chapter;

(c) Oversee the operations and establish the organizational structure of the Office of the Kentucky Board of Emergency Medical Services, which is created and shall be attached to the board for administrative purposes. The office shall be headed by the executive director appointed under paragraph (d) of this subsection and shall be responsible for:

1. Personnel and budget matters affecting the board;

2. Fiscal activities of the board, including grant writing and disbursement of funds;

3. Information technology, including the design and maintenance of databases;

4. Certification and recertification of first responders;

5. Certification and recertification of emergency medical technicians;

6. Licensure and relicensure of ambulances and ambulance services;

7. Licensure and relicensure of paramedics;

8. Certification and recertification of paramedic course coordinators;

9. Investigation of and resolution of quality complaints and ethics issues; and

10. Other responsibilities that may be assigned to the executive director by the board;

(d) Employ an executive director and deputy executive director and fix the compensation. The executive director and deputy executive director shall serve at the pleasure of the board, administer the day-to-day operations of the Office of the Kentucky Board of Emergency Medical Services, and supervise all directives of the board. The director and deputy executive director shall possess a baccalaureate degree and shall have no less than five (5) years of experience in public administration or in the administration of an emergency medical services program;

(e) Employ or contract with a physician licensed in Kentucky who is board certified in emergency medicine and fix the compensation. The physician shall serve at the pleasure of the board and as the medical advisor to the Kentucky Board of Emergency Medical Services and the staff of the board;

(f) Employ or contract with a general counsel licensed to practice law in Kentucky and fix the compensation. The general counsel shall serve at the pleasure of the board;

(g) Employ personnel sufficient to carry out the statutory responsibilities of the board.

1. Personnel assigned to investigate a first responder program complaint or regulate the first responder programs shall be certified first responders, emergency medical technicians, or licensed paramedics.

2. Personnel assigned to investigate an emergency medical technician program complaint or regulate the emergency medical technician program shall be certified emergency medical technicians or paramedics.

3. Personnel assigned to investigate a paramedic program complaint or regulate the paramedic program shall be licensed paramedics.

4. A person who is employed by the board who is licensed or certified by the board shall retain his or her license or certification if he or she meets the in-service training requirements and pays the fees specified by administrative regulation.

5. A person who is employed by the board may instruct in emergency medical subjects in which they are qualified, with the permission of the board. All instruction shall be rendered without remuneration other than their state salary and the employee shall be considered as on state duty when teaching.

6. A person who is employed by the board may render services for which the person is qualified at a declared disaster or emergency or in a situation where trained personnel are not available until those personnel arrive to take over the patient, or where insufficient trained personnel are available to handle a specific emergency medical incident. All aid shall be rendered without remuneration other than the employee's state salary and the employee shall be considered as on state duty when rendering aid. In cases specified in this paragraph, the state medical advisor shall serve as the emergency medical services medical director for the employee;

(h) Establish committees and subcommittees and the membership thereof. Members of committees and subcommittees do not need to be members of the board;

(i) Enter into contracts, apply for grants and federal funds, and disburse funds to local units of government as approved by the General Assembly. All funds received by the board shall be placed in a trust and agency account in the State Treasury subject to expenditure by the board;

(j) Administer the Emergency Medical Services for Children Program; and

(k) Establish minimum curriculum and standards for emergency medical services training.

(2) The board may utilize materials, services, or facilities as may be made available to it by other state agencies or may contract for materials, services, or facilities.

(3) The board may delegate to the executive director, by written order, any function other than promulgation of an administrative regulation specified in this chapter.

(4) Except for securing funding for trauma centers and the implementation of Section 31 of this Act, the board shall not regulate a trauma center.

SECTION 4. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall, subject to the provisions of this chapter, create levels of certification or licensure, as appropriate for individuals providing services under this chapter. These may consist of, but not be limited to:

(a) First responder and first responder instructor;

(b) Emergency medical technician-basic, emergency medical technician-basic instructor, and emergency medical technician-basic instructor trainer;

(c) Paramedic, paramedic course coordinator, paramedic instructor, and paramedic preceptor;

(d) Emergency medical services medical director who supervises a person or organization licensed or certified by the board;

(e) Emergency medical service training institution;

(f) Emergency medical service testing agency;

(g) Ground ambulance service, including categories thereof;

(h) Air ambulance service;

(i) Medical first response provider;

(j) Emergency medical dispatcher, emergency medical dispatch instructor, and emergency medical dispatch instructor trainer;

(k) Emergency medical dispatch center or public safety answering point; and

(l) Any other entity authorized by this chapter.

(2) The board shall promulgate administrative regulations for any certification or license the board may create. The administrative regulations shall, at a minimum, address:

(a) Requirements for students, if appropriate;

(b) Requirements for training;

(c) Eligibility for certification or licensure; and

(d) Renewal, recertification, and relicensure requirements.

(3) The board may authorize a physician licensed to practice in Kentucky to serve as an emergency medical services medical director if that physician meets the requirements specified by the board by administrative regulation.

SECTION 5. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the functions of this chapter, including, but not limited to:

(1) Licensing, inspecting, and regulating of ambulance services and medical first-response providers. The administrative regulations shall address specific requirements for:

(a) Air ambulance providers, which provide basic or advanced life support services;

(b) Class I ground ambulance providers, which provide basic life support or advanced life support services to all patients for emergencies or scheduled ambulance transportation which is medically necessary;

(c) Class II ground ambulance providers, which provide only basic life support services but do not provide initial response to the general population with medical emergencies and which are limited to providing scheduled ambulance transportation which is medically necessary;

(d) Class III ground ambulance providers, which provide mobile intensive care services at or above the level of advanced life support to patients with critical illnesses or injuries who must be transported between hospitals in vehicles with specialized equipment as an extension of hospital-level care; and

(e) Medical first-response providers, which provide prehospital or advanced life support services, but do not transport patients; and

(2) Emergency medical services training institutions.

Nothing in this section shall be construed to change or alter the issuance of certificates of need for emergency medical services providers.

SECTION 6. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board may carry out the functions of this chapter, including, but not limited to:

(1) Establishing minimum data reporting requirements, including requirements specifically related to emergency medical services and trauma care of children, for ambulance providers and collection and analysis of data related to the provision of emergency medical services;

(2) Maintaining the Emergency Medical Services for Children Program with federal funds so designated plus any additional funds that may be appropriated by the General Assembly, or any other funds that may become available to the board, including gifts, grants, or other sources;

(3) Developing a statewide plan for the implementation of emergency medical services systems and trauma care systems within the Commonwealth of Kentucky that specifically addresses the unique needs of rural areas;

(4) Applying for, receiving, and disposing of federal, state, or private funds by grant, appropriation, donation, or otherwise for emergency medical services programs, personnel, and equipment; and

(5) Developing, monitoring, and encouraging other projects and programs that may be of benefit to emergency medical services in the Commonwealth;

Nothing in this section shall be construed to change or alter the issuance of certificates of need for emergency medical services providers.

SECTION 7. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board may, on petition by an interested party, issue an advisory opinion relating to the applicability to any person, property, or state of facts of a statute in this chapter, administrative regulation promulgated by the board, decision, order, or other written statement of law or policy within the jurisdiction of the board.

(2) An advisory opinion shall be binding on the board and all parties to the proceeding on the statement of facts alleged.

(3) The board may not retroactively change an advisory opinion, but nothing in this section shall prevent the board from prospectively changing an advisory opinion.

(4) The board shall promulgate an administrative regulation in accordance with KRS Chapter 13A on procedures for submission, consideration, reconsideration, and disposition of a petition for an advisory opinion.

(5) An advisory opinion of the board may be appealed to the Circuit Court of the county in which the board's offices are located within thirty (30) days of the date of the advisory opinion by the board.

(6) Each advisory opinion shall be a public record and shall be published in the manner specified by the board.

(7) When the board supersedes, vacates, modifies, or repeals a previous advisory opinion the new opinion shall specify each previous opinion affected.

SECTION 8. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board may employ or contract with a coordinator and other positions who shall serve at the pleasure of the board for the Emergency Medical Services for Children Program for which funding is provided by the General Assembly or through any other sources, including gifts, grants, or federal funds.

(2) The coordinator shall, subject to the direction of the board:

(a) Implement and oversee the Emergency Medical Services for Children Program described in this section; and

(b) Serve as liaison for collaboration and coordination between the Emergency Medical Services for Children Program, the board and other public and private organizations, the state traffic safety office, the maternal and child health program, the Medicaid department, the state and local child fatality review and response teams, state and local professional organizations, private sector voluntary organizations, and consumer and community representatives.

(3) The Emergency Medical Services for Children Program may include, but not be limited to, the establishment of the following:

(a) Guidelines for necessary out-of-hospital medical service equipment;

(b) Guidelines and protocols for out-of-hospital pediatric emergency medical services;

(c) Assistance in the development and provision of professional education programs for emergency medical services personnel for the provision of emergency care of infants and children;

(d) Coordination and cooperation between the Emergency Medical Services for Children Program and other public and private organizations interested or involved in emergency care for children, including those persons and organizations identified in subsection (2)(b) of this section; and

(e) The scope of activities carried out by and the provision of staff for the Emergency Medical Services for Children Program shall be commensurate with the availability of funds.

(4) Funds received by the Emergency Medical Services for Children Program shall be placed in a trust and agency account in the state treasury which shall not lapse unless grant provisions specify otherwise. No funds shall be expended from a grant except by vote of the board.

SECTION 9. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) No person shall:

(a) Call or hold himself or herself out as or use the title of emergency medical technician, first responder, paramedic, first responder instructor or instructor trainer, emergency medical technician instructor or instructor trainer, or paramedic instructor, paramedic instructor trainer, or paramedic course coordinator unless licensed or certified under the provisions of this chapter. The provisions of this subsection shall not apply if the board does not license or certify a person as an instructor, instructor trainer, or course coordinator in a particular discipline regulated by the board;

(b) Operate or offer to operate or represent or advertise the operation of a school or other educational program for first responders, emergency medical technicians, paramedics, or instructors or instructor trainers for first responders, emergency medical technicians, or paramedics unless the school or educational program has been approved under the provisions of this chapter. The provisions of this paragraph shall not apply to in-house training given by an ambulance service for its employees or volunteers; or

(c) Knowingly employ a first responder, emergency medical technician, paramedic, or an instructor or instructor trainer for first responders, emergency medical technicians, or paramedics, or paramedic course coordinator unless that person is licensed or certified under the provisions of this chapter.

(2) No person licensed or certified by the board or who is an applicant for licensure or certification by the board shall:

(a) If licensed or certified, violate any provision of this chapter or any administrative regulation promulgated by the board;

(b) Use fraud or deceit in obtaining or attempting to obtain a license or certification from the board, or be granted a license upon mistake of a material fact;

(c) If licensed or certified by the board, grossly negligently or willfully act in a manner inconsistent with the practice of the discipline for which the person is certified or licensed;

(d) Be unfit or incompetent to practice a discipline regulated by the board by reason of negligence or other causes;

(e) Abuse, misuse, or misappropriate any drugs placed in the custody of the licensee or certified person for administration, or for use of others;

(f) Falsify or fail to make essential entries on essential records;

(g) Be convicted of a misdemeanor or felony which involved acts that bear directly on the qualifications or ability of the applicant, licensee, or certified person to practice the discipline for which the person is an applicant, licensee, or certified person;

(h) Be convicted of a misdemeanor or felony which involved fraud, deceit, breach of trust, or physical harm or endangerment to self or others, acts that bear directly on the qualifications or ability of the applicant, licensee, or certificate holder to practice acts in the license or certification held or sought;

(i) Be convicted of a misdemeanor offense under KRS Chapter 510 involving a patient, or a felony offense under KRS Chapter 510, 530.064, or 531.310, or be found by the board to have had sexual contact as defined in KRS 510.010(7) with a patient while the patient was under the care of the licensee or certificate holder;

(j) Have had his or her license or credential to practice as a nurse or physician denied, limited, suspended, probated, revoked, or otherwise disciplined in Kentucky or in another jurisdiction on grounds sufficient to cause a license to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth;

(k) Have a license or certification to practice in any activity regulated by the board denied, limited, suspended, probated, revoked, or otherwise disciplined in another jurisdiction on grounds sufficient to cause a license or certification to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth.

(l) Violate any lawful order or directive previously entered by the board; or

(m) Have been listed on the nurse aide abuse registry with a substantiated finding of abuse, neglect, or misappropriation of property;

(3) It shall be unlawful for any person licensed or certified by the board or an employer of a person licensed or certified by the board having knowledge of the facts to refrain from reporting to the board any person licensed or certified by the board who:

(a) Has been convicted of a misdemeanor or felony which involved acts that bear directly on the qualifications or ability of the applicant, licensee, or certified person to practice the discipline for which they are an applicant, licensee, or certified person;

(b) Is reasonably suspected of fraud or deceit in procuring or attempting to procure a license or certification from the board;

(c) Is reasonably suspected of grossly negligently or willfully acting in a manner inconsistent with the practice of the discipline for which they are certified or licensed;

(d) Is reasonably suspected of being unfit or incompetent to practice a discipline regulated by the board by reason of negligence or other causes including, but not limited to, being unable to practice the discipline for which they are licensed or certified with reasonable skill or safety;

(e) Is reasonably suspected of violating any provisions of this chapter or the administrative regulations promulgated under this chapter;

(f) Has a license or certification to practice an activity regulated by the board denied, limited, suspended, probated, revoked, or otherwise disciplined in another jurisdiction on grounds sufficient to cause a license or certification to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth;

(g) Is practicing an activity regulated by the board without a current active license, or certification issued by the board;

(h) Is reasonably suspected of abusing, misusing, or misappropriating any drugs placed in the custody of the licensee or certified person for administration, or for use of others; or

(i) Is suspected of falsifying or in a grossly negligent manner making incorrect entries or failing to make essential entries on essential records.

(4) A person who violates subsection (1)(a) or (b) of this section shall be guilty of a Class A misdemeanor for a first offense and a Class D felony for each subsequent offense.

(5) The provisions of this section shall not preclude prosecution for the unlawful practice of medicine, nursing, or other practice certified or licensed by an agency of the Commonwealth.

(6) The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the office of the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.

(7) The institution or imposition of disciplinary action by the office of the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.

SECTION 10. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) In accordance with the provisions of KRS Chapter 13B, all discipline for which the board is authorized to conduct investigations, hold hearings, and impose punishments is delegated to the executive director, state medical advisor, board attorney, and hearing panels as provided herein.

(2) Any person may make a complaint to the executive director that an entity licensed or certified by the board, first responder, emergency medical technician, paramedic, emergency medical services medical advisor or other person licensed or certified by the board has violated a provision of this chapter, an administrative regulation promulgated pursuant to this chapter, protocol, practice standard, or order of the board.

(3) Each complaint shall:

(a) Be in writing;

(b) Identify specifically the person or organization against whom the complaint is made;

(c) Set forth the facts relating to the violation alleged and any other supporting information which may have a bearing on the matter;

(d) Contain the name, address, telephone number, facsimile number, and e-mail address, if available, of the complainant;

(e) Be subscribed and sworn to as to the truth of the statements contained in the complaint by the complainant; and

(f) Be notarized.

(4) A complaint which is unsigned shall not be acted upon by the executive director. A complaint which is not subscribed and sworn in the manner specified in subsection (3) of this section shall be returned to the complainant for completion.

(5) The executive director of the board may, on behalf of the board, based on knowledge available to the office of the board, make a complaint against any person or organization regulated by the board in the same manner as provided in subsection (3) of this section.

(6) Upon receipt of a properly completed complaint, the executive director shall assign the complaint to a staff investigator who shall investigate the complaint and shall make findings of fact and recommendations to the executive director who shall then convene a preliminary inquiry board.

(7) When the executive director assigns a complaint to a staff investigator he or she shall notify the person or organization against whom the complaint has been filed and shall notify the employer of a first responder, emergency medical technician, or paramedic and the emergency medical services medical director for the organization and for any paramedic against whom the complaint is filed and any other person or organization specified in this chapter.

(8) The notification shall name the person or organization complained against, the complainant, the violations alleged, and the facts presented in the complaint and shall notify the person or organization complained against, the employer, and the emergency medical services medical director of:

(a) The fact that the complaint shall be answered, the steps for answering the complaint, and the action to be taken if the complaint is not answered;

(b) The time frame and steps in the proceedings of a complaint;

(c) The rights of the parties, including the right to counsel; and

(d) The right to testify at any hearing.

(9) Upon the failure of a license or certificate holder to respond to a written accusation or to request a hearing within twenty (20) days after the sending of the accusation, the accused shall be considered to have admitted the truth of the facts and the circumstances in the allegation and appropriate discipline may be imposed.

(10) The preliminary inquiry board shall consist of the executive director, a person representing the same category of certification or licensure as the defendant who is not a member of the board appointed by the chairman of the board, and the board attorney.

(11) After reviewing the complaint and results of any investigation conducted on behalf of the board, the preliminary inquiry board shall consider whether the accusation is sufficient to remand the matter for a hearing as provided in this section and KRS Chapter 13B. A majority vote of the members of the preliminary inquiry board shall be necessary for action to either remand the matter for hearing or dismiss the complaint without hearing.

(12) If the preliminary inquiry board dismisses the complaint, all parties notified previously shall be notified of the action. If the preliminary inquiry board remands the matter for a hearing, all parties notified previously shall be notified of the action.

(13) Each proceeding to consider the imposition of a penalty which the board is authorized to impose pursuant to this chapter shall be conducted in accordance with KRS Chapter 13B.

(14) A hearing panel for purposes of making a decision in any disciplinary matter shall consist of one (1) physician who may be a member of the board or who meets the qualifications of an emergency medical services medical director; one (1) person from the category of persons or organizations of the same class as the defendant; and the hearing officer, who shall not be involved in emergency medical services.

(15) The hearing officer may issue subpoenas to compel the attendance of witnesses and the production of documents in the conduct of an investigation. The subpoenas may be enforced by any Circuit Court for contempt. Any order or subpoena of the court requiring the attendance and testimony of witnesses and the production of documentary evidence may be enforced and shall be valid anywhere in this state.

(16) At all hearings the board attorney or, on request of the board, the Attorney General of this state or one (1) of the assistant Attorneys General designated shall appear and represent the board.

(17) The employer of a person licensed or certified by the board and the emergency medical services medical director of such a person who is the defendant in a hearing shall be parties to the action and may appear and testify in the matter

at any deposition or hearing on the matter and may propose conclusions of law, findings of fact, and penalties to the hearing panel.

(18) To make a finding or recommend discipline, the two (2) members of the hearing panel who are not the hearing officer shall agree on the finding or discipline. In the event of a tie vote, the hearing officer shall cast the deciding vote.

(19) The final order in any disciplinary proceeding shall be prepared by the executive director and sent to all parties in the manner prescribed by law.

(20) Any person or entity aggrieved by a final order of the board may appeal to the Franklin Circuit Court in accordance with the provisions of KRS Chapter 13B.

(21) The only discipline that the board may impose against an emergency medical services medical director is denial, suspension or withdrawal of the board's approval for that person to serve as an emergency medical services medical director.

(22) If the executive director substantiates that sexual contact occurred between a licensee or certificate holder and a patient while the patient was under the care of or in a professional relationship with the licensee or certificate holder, the license or certification may be revoked or suspended with mandatory treatment of the person as prescribed by the executive director. The executive director may require the licensee or certificate holder to pay a specified amount for mental health services for the patient which are needed as a result of the sexual contact.

SECTION 11. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) If it is determined that an entity regulated by the board, a paramedic, first responder, or emergency medical technician has violated a statute, administrative regulation, protocol, or practice standard relating to serving as an entity regulated by the board, a paramedic, first responder, or emergency medical technician, the office of the board may impose any of the sanctions provided in subsection (2) of this section. Any party to the complaint shall have the right to propose findings of fact and conclusions of law, and to recommend sanctions.

(2) The office of the board may use any one (1) or more of the following sanctions when disciplining a paramedic, emergency medical technician first responder, emergency medical technician, or any entity regulated by the board:

- *(a) Private reprimand that shall be shared with each of the paramedic's, first responder's, or emergency medical technician's employer and medical director;*
- *(b) Public reprimand;*
- *(c) Fines of fifty dollars ($50) to five hundred dollars ($500) for a natural person or fifty dollars ($50) to five thousand dollars ($5,000) for a public agency or business entity;*
- *(d) Revocation of certification or licensure;*
- *(e) Suspension of licensure until a time certain;*
- *(f) Suspension until a certain act or acts are performed;*
- *(g) Limitation of practice permanently;*
- *(h) Limitation of practice until a time certain;*
- *(i) Limitation of practice until a certain act or acts are performed;*
- *(j) Repassing a portion of the paramedic, first responder, or emergency medical technician examination; or*
- *(k) Probation for a specified time.*

(3) The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the office of the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.

(4) The institution or imposition of disciplinary action by the office of the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.

SECTION 12. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) If the office of the board has reasonable cause to believe that any licensee or certificate holder or any applicant for licensure or certification by examination, reinstatement, or change of status is unable to practice with reasonable skill or safety or has abused alcohol or drugs, it may require that person to submit to a mental or physical examination by a physician or psychologist it designates. Upon the failure of the person to submit to a mental or physical examination, unless due to circumstances beyond the person's control, the office of the board may initiate an action for immediate temporary suspension pursuant to this chapter or deny the application until the person submits to the required examination. The office of the board may issue an immediate and temporary suspension from the time of the examination until the hearing.

(2) Every licensee or certificate holder or applicant for licensure or certification by examination, reinstatement, or change of status shall be deemed to have given consent to submit to an examination when so directed in writing by the board.

The direction to submit to an examination shall contain the basis of the office of the board's reasonable cause to believe that the person is unable to practice with reasonable skill or safety, or has abused alcohol or drugs. The person shall be deemed to have waived all objections to the admissibility of the examining physician's or psychologist's testimony or examination reports on the ground of privileged communication.

(3) The licensee or certificate holder or applicant for licensure or certification by examination, reinstatement, or change of status shall bear the cost of any mental or physical examination ordered by the office of the board.

SECTION 13. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) When a complaint is filed against an ambulance service, emergency medical services provider, or an emergency medical services educational institution or an employee or volunteer thereof, or when the office of the board is contemplating action against an ambulance service, emergency medical services provider, or emergency medical services educational institution or an employee or volunteer thereof, written notice of the complaint or proposed action shall be sent to:

(a) The county judge/executive, in the event of a county-operated ambulance service, emergency medical services provider, or educational institution;

(b) The mayor, in the event of a city-operated ambulance service, emergency medical services provider, or educational institution;

(c) The mayor, in the event of an urban-county government-operated ambulance service, emergency medical services provider, or educational institution;

(d) The chairman of the fire protection district, in the event of a fire district-operated ambulance service, emergency medical services provider, or educational institution;

(e) The head of the public agency, in the event of an ambulance service, emergency medical services provider, or educational institution operated by a public agency other than specified in paragraphs (a) to (d) of this subsection;

(f) The president, chancellor, or other officer in charge of an educational institution operated, in the event of an ambulance service or educational institution;

(g) The chief operating officer or president of a nonprofit corporation, corporation for profit, limited liability corporation, or other business entity, in the event of an ambulance service, emergency medical services provider, or educational institution operated by the business entity; and

(h) Both the ambulance service, emergency medical services provider, or educational institution officials specified in this subsection and the officials of any public agency contracting for services.

(2) The notice specified in this section shall be in addition to any notice provided to any other person or organization.

SECTION 14. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The state medical advisor, one (1) physician board member selected by the chairman of the board, and one (1) member of the board of the same category of licensure or certification as the defendant selected by the chairman of the board, in writing, may determine that immediate temporary suspension of a license or certification of a natural person against which disciplinary action or an investigation is pending is necessary in order to protect the public. If the defendant is employed by an emergency medical services provider, the input of the employer's emergency medical services medical director shall be sought with regard to the matter. In the event of an action against an organization, the determination shall be made by the state medical advisor, one (1) physician member of the board, and one (1) other member of the board who is not a physician selected by the chairman of the board. When this action may be necessary, the executive director, in writing, shall issue an emergency order suspending the licensee or certificate holder. Upon appeal of an emergency order, an emergency hearing shall be conducted in accordance with KRS 13B.125.

(2) No board member shall be disqualified from serving on a disciplinary action hearing panel for the reason that he or she has previously sat on a hearing panel considering temporary suspension of the same license.

(3) Disciplinary actions in which a license or certification has been temporarily suspended and a hearing shall be held in accordance with KRS 13B.125 within ninety (90) days unless the defendant requests an extension of time.

(4) The order of immediate temporary suspension shall remain in effect until either retracted or superseded by final disciplinary action by the office of the board. In cases where disciplinary action is imposed, the office of the board may additionally order that the temporary suspension continue in effect until the later expiration of time permitted for appeal or termination of the appellate process.

SECTION 15. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) No person as defined in KRS 446.010 who is not licensed to do so, or whose license to do so has been suspended, revoked, or denied, shall operate an ambulance service or advanced life support emergency medical first response program.

(2) Any person as defined in KRS 446.010 who violates subsection (1) of this section is guilty of a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.

(3) The provisions of this section shall not preclude the board from revoking or increasing the suspension period of a

person operating an ambulance service or advanced life support first response program which has illegally operated while its license is under suspension or has been revoked.

(4) The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.

(5) The institution or imposition of disciplinary action by the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.

SECTION 16. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person licensed or certified by the board shall immediately notify the office of the board in writing if any professional or business license that is issued to the person by any agency of the Commonwealth or any other jurisdiction is surrendered or terminated under threat of disciplinary action or is refused, suspended, or revoked, or if renewal of continuance is denied.

SECTION 17. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person licensed or certified by the board shall, within thirty (30) days of entry of the final judgment, notify the office of the board in writing of any misdemeanor or felony criminal conviction in this Commonwealth or any other jurisdiction. Upon learning of any failure to notify the office of the board under this section, the office of the board may initiate an action for immediate temporary suspension under this chapter until the person submits the required notification.

SECTION 18. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) A paramedic license, first responder certification, or emergency medical technician certification shall be valid for a period of two (2) years.

(2) Each paramedic license, first responder certification, or emergency medical technician certification shall expire on December 31 of the second year from its issuance.

(3) The license or certification of every person issued under the provisions of this chapter shall be renewed at least biennially except as provided in this section. At least six (6) weeks before the renewal date the office of the board shall mail an application for renewal to every person for whom a license or certification was issued during the current licensure or certification period. The applicant shall fill in the application form and return it to the office of the board with the renewal fee prescribed by the board in an administrative regulation before the expiration date of his or her current license or certification. Upon receipt of the application and fee, the board shall verify the accuracy of the application to determine whether the licensee or person seeking certification has met all the requirements as set forth in this chapter and in the administrative regulations promulgated by the board, and, if so, shall issue to the applicant a license or certification to practice or engage in the activity for the ensuing licensure or certification period. Such license or certification shall render the holder a legal practitioner of the practice or activity specified in the license or certification for the period stated on it. The board shall prescribe by administrative regulation the beginning and ending of the licensure or certification period.

(4) Any person who is licensed or certified by the board who allows his or her license or certification to lapse by failing to renew the license or certification as provided in this section may be reinstated by the board on payment of the current fee for original licensure or certification and by meeting the requirements of administrative regulations promulgated by the board.

(5) An application for renewal of a license or certification shall be sent to the last known address of each licensee or certified person.

(6) Any person practicing any practice or activity regulated by the board during the time his or her license or certification has lapsed shall be considered an illegal practitioner and shall be subject to the penalties provided for violations of this chapter.

(7) Failure to receive the application for renewal of a license or certification shall not relieve a paramedic, first responder, or emergency medical technician from the duty to renew his or her license or certification prior to December 31 of the year in which the license or certification expires.

(8) The duration of any license or certification issued by the board may be limited by disciplinary action of the board.

(9) Every license or certification issued by the board shall have the seal of the board affixed. A holder of a license or certification shall retain it in his or her possession and be prepared to exhibit it upon demand by an employer or anyone to whom the holder of the license or certification offers emergency medical services or any board or staff member of the Kentucky Board of Emergency Medical Services.

(10) Failure or refusal to produce a license or certification upon demand shall be prima facie evidence that no such license or certification exists.

(11) In order to assure a proper transition during the implementation of the provisions of this section, the board may, for a period of three (3) years, extend a license or certification of any person in order to utilize the expiration date provided for in this section. The board shall, in writing, notify each person whose license or certification is extended of the

extension and the new date of expiration. The extension shall be without charge.

SECTION 19. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board may require a criminal background investigation of an applicant for licensure or certification, including by means of a fingerprint check by the State Police or the Federal Bureau of Investigation, or both.

SECTION 20. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person as defined in KRS 446.010 licensed or certified by the board shall maintain a current mailing address with the office of the board and immediately notify the board in writing of a change of mailing address. As a condition of holding a license or certification from the board, a licensee or certificate holder is deemed to have consented to service of notice or orders of the board at the mailing address on file with the office of the board, and any notice or order of the board mailed or delivered to the mailing address on file with the board constitutes valid service of the notice or order.

SECTION 21. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board shall, by administrative regulation, require an applicant for licensure as a paramedic, certification as a first responder, or certification as an emergency medical technician to have completed a board-approved educational course on the transmission, control, treatment, and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome with an emphasis on appropriate behavior and attitude change.

SECTION 22. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) For each licensure renewal of a paramedic following the issuance of an initial license or certification by the board, as a prerequisite for license or certification renewal, all individuals licensed under the provisions of this chapter shall be required to document continuing competence during the immediate past licensure or certification period as prescribed in administrative regulations promulgated by the board.

(2) The compliance with continuing competency requirement shall be documented by the emergency medical services medical director and reported as set forth by the board in administrative regulations promulgated in accordance with KRS Chapter 13A.

(3) The board shall approve providers of emergency medical services education and continuing education. The approval may include recognition of providers approved by national organizations and state boards of emergency medical services with comparable standards. Standards for these approvals shall be set forth by the board in administrative regulations promulgated in accordance with KRS Chapter 13A. The board need not approve the in-house conduct of in-service training of its own employees or volunteers by a licensed ambulance service.

(4) The board shall work cooperatively with professional emergency medical services organizations, approved schools, and other potential sources of continuing education programs to ensure that adequate continuing education offerings are available statewide. The board may enter into contractual agreements to implement the provisions of this section.

SECTION 23. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The conduct of proper in-service training, including, but not limited to, in-house in-service training, in accordance with the standards specified by this chapter, administrative regulations, and the standards of relevant United States Department of Transportation curricula shall be that of the provider of the in-service training.

(2) If in-service training is conducted by an ambulance service, emergency medical services provider, or educational institution, the organization, the instructor, and its medical director share responsibility for the provision of training which meets or exceeds the requirements of subsection (1) of this section.

(3) Persons and organizations providing in-service training for first responders, emergency medical technicians, or paramedics shall keep the records required by the board by administrative regulation and shall make them available to a representative of the board upon request.

(4) Failure to keep a record required by the board by administrative regulation or required to be kept by statute, falsifying a record, or grossly negligently maintaining a record required to be kept by administrative regulation or statute shall be subject to action by the office of the board.

(5) Providing in-service training not meeting or exceeding the requirements specified in subsections (1) and (2) of this section shall be subject to action of the office of the board.

(6) Penalties specified in this section shall be in addition to any action which the board may be permitted to take against the license or certification of any person or organization.

(7) The board may refuse to recognize any in-service training not conducted in accordance with the provisions of this chapter, U.S. Department of Transportation curricula, or administrative regulations promulgated pursuant to this chapter. If the board determines that in-service training will not be accepted, the denial of credit shall be extended to all persons who completed that specific in-service training.

SECTION 24. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall promulgate administrative regulations relating to paramedics. The administrative regulations may include the classification and licensure of paramedics, instructor-trainers, instructors, and students and trainees; examinations; standards of training and experience; curricula standards; administration of drugs and controlled substances by paramedics under the direction or supervision of licensed physicians; issuance and renewal of licenses;

and such other administrative regulations as may be necessary for the protection of public health and safety in the delivery of emergency medical services.

(2) Relicensure programs shall be organized to include continuing education and in-service training approved by the board.

SECTION 25. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board shall promulgate administrative regulations relating to emergency medical technicians. The administrative regulations may include the classification and certification of emergency medical technicians, instructors, instructor-trainers, and students and trainees; examinations; standards of training and experience; curricula standards; issuance or renewal of certificates; hearing of appeals; and other administrative regulations as may be necessary for the protection of public health and safety in the delivery of emergency medical services. No additional testing or examinations shall be required for recertification, except for proficiency testing of new skills or knowledge, or areas in which there is documented evidence of deterioration of skills.

(2) Recertification programs shall be organized to include continuing education and in-service training approved by the board.

(3) Beginning July 14, 2000, a new emergency medical technician shall, for initial certification, be certified using the requirements and testing established by the National Registry of Emergency Medical Technicians or other agent chosen by the board.

(4) Beginning July 14, 2000, a certified emergency medical technician who seeks recertification shall obtain recertification under the requirements established and maintained by the board. These requirements shall contain a minimum of sixteen (16) hours of required topics and eight (8) hours of elective topics over a two (2) year recertification period. The board shall also recertify any emergency medical technician who chooses to obtain recertification under the requirements established by the National Registry of Emergency Medical Technicians or other agent chosen by the board in lieu of the standards established by the board.

(5) Except as provided in Section 11 of this Act, the board shall not require any additional course work, in-service training, testing, or examinations of a person who chooses the National Registry of Emergency Medical Technicians or other agent chosen by the board for certification or recertification as an emergency medical technician.

(6) Any person licensed by the board as a paramedic shall be certified as an emergency medical technician by the board. The certification shall be issued without fee, without additional training, in-service training, testing, or examination. The emergency medical technician certification shall be issued and expire at the same time that the paramedic license is issued or expires, and if a paramedic voluntarily gives up his or her license prior to the expiration of his or her paramedic license, his or her emergency medical technician certification shall be unaffected thereby. If a paramedic chooses not to be relicensed as a paramedic but chooses to retain his emergency medical technician certification, the paramedic shall, prior to the expiration of his paramedic license, complete the requirements for recertification as an emergency medical technician utilizing one (1) of the methods provided for in this section.

(7) A paramedic whose license as a paramedic or certification as an emergency medical technician is suspended, revoked, or denied by the board shall have the same action taken automatically with regard to his emergency medical technician certification or paramedic license.

SECTION 26. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) The board may, by administrative regulation, prescribe a reasonable schedule of fees and charges for:

(a) Examination;

(b) Issuance, renewal, and reinstatement of licenses;

(c) Issuance, renewal, and reinstatement of certifications;

(d) Inspections and reinspections;

(e) Applications; and

(f) Other services and materials provided by the board.

(2) All fees, charges, or other moneys collected or received by the board shall be paid into the State Treasury and credited to a trust and agency fund which shall not lapse, to be used by the board for the carrying out of the provisions of this chapter.

SECTION 27. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

A paramedic licensed pursuant to this chapter and a first responder certified pursuant to this chapter shall have the privileges and immunities specified in KRS 411.148, subject to the provisions of that statute.

SECTION 28. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) There shall be an emergency medical services grant program to provide funding to each county for the direct operation of emergency medical services, including, but not limited to, purchase or lease of ambulances or equipment. Funds available shall not be used to fund personnel or consultant salaries.

(2) Funds appropriated to or received by the emergency medical services grant program shall be placed in a trust and

agency account in the State Treasury and shall not lapse.

(3) The board shall administer the emergency medical services grant program and may promulgate administrative regulations, which shall include, but not be limited to, funding criteria necessary for its implementation and operation.

(4) Twenty percent (20%) of the funds received each fiscal year for the grant program may be withheld from general distribution and shall be distributed for emergency purposes only.

(5) Grants may be made each fiscal year to each county fiscal court determined to be eligible by the board for distribution to public ambulance services operated by or for the county. A county may keep funds appropriated to them for a period of two (2) years, if desired, for expenditure for authorized purposes. At the end of two (2) years from the date of the receipt of the grant, the county shall return any funds remaining unexpended to the emergency medical services grant fund. Each expenditure made by the fiscal court from grant funds provided to the county shall be documented, with appropriate receipts or other documents, and a copy of each receipt or other document shall be provided to the board to verify that the expenditure was proper. The board shall require reimbursement to the emergency medical services fund by the county, with interest at a rate of twenty percent (20%) annually, for any funds expended for an unauthorized purpose. If the county fails or refuses to reimburse the fund, the board shall notify the Attorney General, who shall seek appropriate civil and criminal remedies.

(6) The board shall, annually, by January 1, promulgate administrative regulations specifying items of equipment and other authorized expenditures for the upcoming fiscal year. No funds shall be provided to the county until after the start of the fiscal year.

(7) The board may, in the event of a documented situation which the board considers to be an emergency and beyond the ability of the county to pay, provide emergency funding to the fiscal court for an ambulance or authorized equipment which has been damaged or destroyed. Normal replacement of an ambulance or equipment shall not be considered an emergency. The amount of funding that may be provided by the board shall not exceed ten thousand dollars ($10,000). Only one (1) emergency funding request shall be granted for any county in each fiscal year. The amount of the emergency grant to the county shall be deducted from the county's grant for the next fiscal year.

SECTION 29. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) A first responder may, subject to the provisions of this section, perform any procedure:

(a) Specified in the most recent curriculum of the United States Department of Transportation training course for first responders; and

(b) Any additional procedure authorized by the board by administrative regulation.

(2) When there is a change in the United States Department of Transportation curriculum for first responders or the board approves an additional skill or procedure by administrative regulation, no person who was not trained under that curriculum shall perform any activity or procedure authorized by the new curriculum or administrative regulation unless the person has been trained according to the new curriculum or administrative regulation and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the first responder shall successfully complete the new material or lose his or her certification as a first responder.

(3) Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing emergency medical services to its citizens nor to prevent the employer from exercising any reasonable control over first responders providing emergency medical care on behalf of a licensed entity or other provider.

(4) Nothing in this section shall be construed to permit utilization of any certified first responder for the purpose of such individual working with primary responsibility and duties limited to hospitals, physician's offices, clinics, or other definitive care facilities, except as a first responder trainee or as a full-time instructor of first responders.

SECTION 30. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) An emergency medical technician may, subject to the provisions of this section, perform any procedure:

(a) Specified in the most recent curriculum of the United States Department of Transportation training course for emergency medical technicians; and

(b) Any additional procedure authorized by the board by administrative regulation.

(2) When there is a change in the United States Department of Transportation curriculum for emergency medical technicians or the board approves an additional skill or procedure by administrative regulation, no person who was not trained under that curriculum or administrative regulation shall perform any activity or procedure in the new curriculum or administrative regulation unless the person has been trained according to the new curriculum or administrative regulation and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the emergency medical technician shall successfully

complete the new material or lose his or her certification as an emergency medical technician.

(3) Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing emergency medical services to its citizens nor prevent the employer from exercising any reasonable control over emergency medical technicians providing emergency medical care upon behalf of the licensed entity or other provider.

(4) Nothing in this section shall be construed to permit utilization of a certified emergency medical technician for the purpose of such individual working with primary responsibility and duties limited to hospitals, physician's offices, clinics, or other definitive care facilities, except as an emergency medical technician trainee or a full-time instructor of emergency medical technicians.

SECTION 31. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) Subject to the provisions of this section, a paramedic may perform any procedure:

- *(a) Specified in the most recent curriculum of the United States Department of Transportation training course for paramedics; and*
- *(b) Any additional procedure specified by the board by administrative regulation.*

(2) When there is a change in the United States Department of Transportation curriculum for paramedics, or the board approves an additional skill or procedure by administrative regulation, or approves a protocol differing from the curriculum or administrative regulations, no person who was not trained under that curriculum or administrative regulation shall perform any activity or procedure in the new curriculum, administrative regulation, or protocol unless the person has been trained according to the new curriculum, administrative regulation, or protocol and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the paramedic shall successfully complete the material or lose his or her license as a paramedic.

(3) A paramedic may draw blood samples from a criminal defendant upon the request of a peace officer and the consent of the defendant, or without the consent of the defendant upon receipt of a court order requiring the procedure, if the paramedic is authorized to do so by his or her employer. The authorization shall be in writing and may be by general written policy of the employer and the service's medical director. The paramedic who drew the blood sample shall deliver the sample to the peace officer or other person specified by the court in a court order and shall testify in court with regard thereto upon service of a proper subpoena.

(4) A paramedic shall be permitted to render services only under the supervision of an emergency medical services medical director.

(5) Any provision of this chapter other than this section relating to the requirement for additional training, requirement for skill examination, or approval of standing orders, protocols, or medical procedures to the contrary notwithstanding, a paramedic may be employed by a hospital to work as a licensed paramedic in the emergency department of the hospital subject to the following conditions:

- *(a) The hospital in collaboration with the medical staff shall provide operating procedures and policies under which the paramedic shall operate consistent with the paramedic's scope of practice;*
- *(b) A paramedic shall provide patient care services under the orders of a physician, advanced registered nurse practitioner, or as delegated by a registered nurse;*
- *(c) Subject to the provisions relating to the scope of practice of a paramedic, a hospital may require a paramedic to take additional training on any subject or skill which the paramedic may be required to perform in a hospital and demonstrate competency in the skill or subject to a competent evaluator; and*
- *(d) The paramedic does not violate the provisions of Section 32 of this Act or any other statute or administrative regulation relating to a paramedic.*

No provision of this section shall prevent a paramedic from being employed in any other section of the hospital where the paramedic's job duties do not require certification or licensure by the board and do not otherwise constitute the unlawful practice of medicine.

(6) Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing medical services to its citizens nor prevent the employer from exercising any reasonable control over paramedics providing care on behalf of the licensed entity.

SECTION 32. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) No first responder shall perform any act or procedure which exceeds the scope of practice of a first responder as specified in this chapter and in administrative regulations promulgated by the board.

(2) No emergency medical technician shall perform any act or procedure which exceeds the scope of practice of an emergency medical technician as specified in this chapter and in administrative regulations promulgated by the board.

(3) No paramedic shall perform any act or procedure which exceeds the scope of practice of a paramedic as specified in this chapter, administrative regulations promulgated by the board, protocol, standing order, or other document

approved by the board.

(4) A first responder, emergency medical technician, or paramedic is presumed to know the standards of practice for his or her level of certification or licensure.

(5) It is the legal duty of a first responder, emergency medical technician, or paramedic to refuse to perform any act or procedure which is beyond his or her scope of practice regardless of whether that act or procedure is ordered by a physician, medical director, advanced registered nurse practitioner, registered nurse, or supervisor.

(6) No employer or organization for which a first responder, emergency medical technician, or paramedic has volunteered shall reprimand, discipline, or dismiss a first responder, emergency medical technician, or paramedic who has refused to perform an act or procedure which the first responder, emergency medical technician, or paramedic knows is in violation of the provisions of this section. Violation of this section by an employer or by an organization for which a first responder has volunteered shall be grounds for a legal action for wrongful discipline or wrongful discharge, as appropriate.

(7) The provisions of this section shall not apply to an order to perform an act or procedure:

(a) For which a license or certification by the board is not required and which otherwise do not constitute the unlawful practice of medicine; or

(b) For which no license or certification is required and does not involve medical care or treatment; or

(c) For which a license or certification issued by an agency other than the board is required and the first responder, emergency medical technician, or paramedic holds such a license or certification.

SECTION 33. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) Each emergency medical services medical director for an ambulance service, or other emergency medical services provider, shall submit his or her protocols, standing orders, and similar medical control documents to the board for approval prior to placing the document in use.

(2) The medical advisor for the board shall review each document submitted to ascertain if it is in accordance with accepted standards of medical care and in accordance with the provisions of this chapter and administrative regulations promulgated thereunder. If the protocol, standing order, or other medical control document clearly violates the accepted standards of medical care, this chapter, or an administrative regulation, the medical advisor shall notify the emergency medical services medical director of the exact violation and recommend a correction thereof.

(3) Following review of protocol, standing order, and medical control documents and giving the emergency medical services medical director who submitted the documents an opportunity to review the medical advisor's comments, the medical advisor shall submit the documents together with his or her comments to the board for approval or disapproval.

(4) The board shall approve, disapprove, or approve with modifications protocol, standing order, and medical control documents submitted by the emergency medical services medical director at its next regular or special meeting following the submission of the documents.

(5) If a protocol, standing order, or other medical control document is disapproved by the board, the emergency medical services medical director who submitted it may appeal the decision to the Franklin Circuit Court. If the decision of the board is appealed to the Franklin Circuit Court, the board shall bear the burden of proving that the protocol, standing order, or other medical control document violates the accepted standards of medical care, or an administrative regulation.

(6) The board shall, by administrative regulation, specify a schedule for submission and prompt review and decision making with regard to protocols, standing orders, and medical control documents submitted to the board.

SECTION 34. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) When it appears that a person whom a paramedic who has successfully completed training in determination of death has been called to attend is dead, the paramedic shall, utilizing the protocol specified by the board by administrative regulation, determine whether or not the patient is dead after resuscitation of the patient is attempted by the paramedic or an emergency medical technician who has responded with or after the paramedic, unless the protocol indicates that the patient is not capable of being resuscitated. If, after resuscitation has been attempted on a patient who the protocol deems is capable of being resuscitated, the patient has not been successfully resuscitated according to the protocol, the paramedic may discontinue further resuscitation efforts and proceed to determine whether the patient is dead and whether to declare the patient dead. If it is determined that death has occurred in accordance with the procedures of KRS 446.400 with regard to patients who have not been resuscitated, the paramedic may make the actual determination and pronouncement of death. This section shall not apply to patients who are in a hospital when apparent death occurs.

(2) In the event that a paramedic determines that a person is dead, the paramedic shall make the notifications required by KRS 72.020 and take the protective actions required by that statute.

(3) Any paramedic course taught after July 15, 1998, shall include a course of instruction on the determination of death and preservation of evidence as required by the board by administrative regulation.

(4) Any paramedic from another jurisdiction desiring to become a paramedic in Kentucky shall show evidence of successful completion of a training course in Kentucky meeting the requirements of subsection (3) of this section, and licensure as a paramedic shall be denied if the required evidence is not shown.

(5) The administration of cardiopulmonary resuscitation or other basic life support measures to the apparently dead person prior to the arrival of the paramedic by any person, for the purposes of this section and KRS 446.400, shall not be considered as artificial maintenance of respiration and circulation. The administration of advanced cardiac life support procedures by any person, other than a registered nurse rendering care pursuant to KRS 314.181, prior to the arrival of the paramedic shall preclude the determination of death by the paramedic, and the provisions of KRS 446.400 shall apply. However, nothing in this section shall preclude the supervising physician from directing the paramedic to cease resuscitative efforts under approved agency medical protocols.

(6) The resuscitative efforts of a paramedic under the protocols authorized by this section shall not invoke the provisions of KRS 446.400.

Section 35. KRS 311.550 is amended to read as follows:

As used in KRS 311.530 to 311.620 and KRS 311.990(4) to (6):

(1) "Board" means the State Board of Medical Licensure;

(2) "President" means the president of the State Board of Medical Licensure;

(3) "Secretary" means the secretary of the State Board of Medical Licensure;

(4) "Executive director" means the executive director of the State Board of Medical Licensure or any assistant executive directors appointed by the board;

(5) "General counsel" means the general counsel of the State Board of Medical Licensure or any assistant general counsel appointed by the board;

(6) "Regular license" means a license to practice medicine or osteopathy at any place in this state;

(7) "Limited license" means a license to practice medicine or osteopathy in a specific institution or locale to the extent indicated in the license;

(8) "Temporary permit" means a permit issued to a person who has applied for a regular or limited license, and who appears from verifiable information in the application to the secretary to be qualified and eligible therefor;

(9) "Emergency permit" means a permit issued to a physician currently licensed in another state, authorizing the physician to practice in this state for the duration of a specific medical emergency, not to exceed thirty (30) days;

(10) Except as provided in subsection (11) of this section, the "practice of medicine or osteopathy" means the diagnosis, treatment, or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices, or instrumentalities;

(11) The "practice of medicine or osteopathy" does not include the practice of Christian Science, the practice of podiatry as defined in KRS 311.380, the practice of a midlevel health care practitioner as defined in KRS 216.900, the practice of dentistry as defined in KRS 313.010, the practice of optometry as defined in KRS 320.210, the practice of chiropractic as defined in subsection (2) of KRS 312.015, the practice as a nurse as defined in KRS 314.011, the practice of physical therapy as defined in KRS 327.010, the performance of duties for which they have been trained by paramedics licensed under KRS *Chapter 311A*[~~311.652 to 311.658~~], [~~emergency medical technician~~] first responders, or emergency medical technicians certified under KRS *Chapter 311A*[~~311.652 to 311.658~~], the practice of pharmacy by persons licensed and registered under KRS 315.050, the sale of drugs, nostrums, patented or proprietary medicines, trusses, supports, spectacles, eyeglasses, lenses, instruments, apparatus, or mechanisms that are intended, advertised, or represented as being for the treatment, correction, cure, or relief of any human ailment, disease, injury, infirmity, or condition, in regular mercantile establishments, or the practice of midwifery by women. KRS 311.530 to 311.620 shall not be construed as repealing the authority conferred on the Cabinet for Health Services by KRS Chapter 211 to provide for the instruction, examination, licensing, and registration of all midwives through county health officers;

(12) "Physician" means a doctor of medicine or a doctor of osteopathy;

(13) "Grievance" means any allegation in whatever form alleging misconduct by a physician;

(14) "Charge" means a specific allegation alleging a violation of a specified provision of this chapter;

(15) "Complaint" means a formal administrative pleading that sets forth charges against a physician and commences a formal disciplinary proceeding;

(16) As used in KRS 311.595(4), "crimes involving moral turpitude" shall mean those crimes which have dishonesty as a fundamental and necessary element, including, but not limited to, crimes involving theft, embezzlement, false swearing, perjury, fraud, or misrepresentation;

(17) "Physician assistant" means a person who has graduated from a physician assistant or surgeon assistant program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs and who has passed the certifying examination administered by the National Commission on Certification of Physician Assistants or who possesses a current physician assistant certificate

issued by the board prior to July 15, 1998;

(18) "Supervising physician" means a physician licensed by the board who supervises physician assistants; and

(19) "Supervision" means overseeing the activities of, and accepting responsibility for, the medical services rendered by a physician assistant. The constant physical presence of the supervising physician is not required so long as the supervising physician and physician assistant are or can be easily in contact with one another by radio, telephone, or other telecommunication device. Each team of physicians and physician assistants shall ensure that the delegation of medical tasks is appropriate to the physician assistant's level of training and experience; that the identification of and access to the supervising physician is defined; and that a process for evaluation of the physician assistant's performance is established.

(20) "Telehealth" means the use of interactive audio, video, or other electronic media to deliver health care. It includes the use of electronic media for diagnosis, consultation, treatment, transfer of medical data, and medical education.

SECTION 36. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

(1) Each licensed ambulance provider and medical first response provider as defined in this chapter shall collect and provide to the board run data and information required by the board by this chapter and administrative regulation.

(2) The board shall develop a run report form for the use of each class of ambulance provider and medical first response provider containing the data required in subsection (1) of this section. An ambulance provider or medical first response provider may utilize any run form it chooses in lieu of or in addition to the board developed run report form. However, the data captured on the run report form shall include at least that required by the administrative regulations promulgated pursuant to subsection (1) of this section.

(3) An ambulance provider or medical first response provider shall report the required run report data and information by completing an annual report as established by the board or by transmitting the required data and information to the board in an electronic format. If the board requires the use of a specific electronic format, it shall provide a copy of the file layout requirements, in either written or electronic format, to the licensed ambulance provider or medical first response provider at no charge.

(4) The board may publish a comprehensive annual report reflecting the data collected, injury and illness data, treatment utilized, and other information deemed important by the board. The annual report shall not include patient identifying information or any other information identifying a natural person. A copy of the comprehensive annual report, if issued, shall be forwarded to the Governor and the General Assembly.

(5) Ambulance provider and medical first response provider run report forms and the information transmitted electronically to the board shall be confidential. No person shall make an unauthorized release of information on an ambulance run report form or medical first response run report form. Only the patient or the patient's parent or legal guardian if the patient is a minor, or the patient's legal guardian or person with proper power of attorney if the patient is under legal disability as being incompetent or mentally ill, or a court of competent jurisdiction may authorize the release of information on a patient's run report form or the inspection or copying of the run report form. Any authorization for the release of information or for inspection or copying of a run report form shall be in writing.

(6) If a medical first response provider or ambulance provider does not use a paper form but collects patient data through electronic means, it shall have the means of providing a written run report that includes all required data elements to the medical care facility. A copy of the medical first response form or a summary of the run data and patient information shall be made available to the ambulance service that transports the patient. A copy of the ambulance run report form shall be made available to any medical care facility to which a patient is transported and shall be included in the patient's medical record by that facility. If a patient is not transported to a medical facility, the copy of the run report form that is to be given to the transporting ambulance provider or medical care facility shall be given to the patient or to the patient's parent or legal guardian. If the ambulance provider, medical facility, patient, or patient's legal guardian refuses delivery of their run report form or is unavailable to receive the form, that copy of the form shall be returned to the medical first response provider or ambulance provider and destroyed.

(7) All ambulance services shall be required to keep adequate reports and records to be maintained at the ambulance base headquarters and to be available for periodic review as deemed necessary by the board. Required records and reports are as follows:

(a) Employee records, including a resume of each employee's training and experience and evidence of current certification; and

(b) Health records of all drivers and attendants including records of all illnesses or accidents occurring while on duty.

(8) Data and records generated and kept by the board or its contractors regarding the evaluation of emergency medical care and trauma care in the Commonwealth, including the identities of patients, emergency medical services personnel, ambulance providers, medical first-response providers, and emergency medical facilities, shall be confidential, shall not be subject to disclosure under KRS 61.805 to 61.850 or KRS 61.870 to 61.884, shall not be admissible in court for any purpose, and shall not be subject to discovery. However, nothing in this section shall limit the discoverability or admissibility of patient medical records regularly and ordinarily kept in the course of a patient's treatment that otherwise would be admissible or discoverable.

Section 37. KRS 281.014 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) (a) The term "city taxicab certificate" or "city limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to the corporate limits of a city of the first or second class or an urban-county area and the city's suburban area, or the corporate limits of any city and its suburban area located in a county which contains a city of the first or second class or an urban-county area, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of such transportation;

(b) The term "county taxicab certificate" or "county limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to a specific county which does not contain a city of the first or second class and is not an urban-county area, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of the transportation;

(c) A "taxicab" means a motor vehicle operated under one (1) or more taxicab certificates, and is a vehicle designed or constructed to transport not more than fifteen (15) passengers exclusive of the driver;

(d) A "limousine" means a luxury motor vehicle passenger car which has either a standard or an extended wheelbase. The vehicle shall have additional rear seating capacity, area, and comforts, but shall be designed or constructed to transport not more than fifteen (15) passengers plus the driver;

(e) The term "taxicab license" means a license plate issued to a taxicab authorized to operate under a taxicab certificate;

(f) The term "limousine license" means a license plate issued to a limousine authorized to operate under a limousine certificate;

(2) (a) An "airport shuttle certificate" means a certificate granting authority only for the operation of motor vehicles exclusively transporting passengers or baggage for hire over regular routes between points within a city or its suburban area and an airport;

(b) An "airport shuttle vehicle" means a motor vehicle operated under one (1) or more airport shuttle certificates and which is designed or constructed to transport not more than fifteen (15) passengers plus the driver;

(c) The term "airport shuttle vehicle license" means a license plate issued for a motor vehicle authorizing its operation under one (1) or more airport shuttle certificates;

(3) The term "U-Drive-It" means any person who leases or rents a motor vehicle for a consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee;

(4) The term "driveaway" means the transporting and delivering of motor vehicles, except semitrailers, and trailers, whether destined to be used in either a private or for-hire capacity, under their own power or by means of a full mount method, saddle mount method, the tow bar method, or any combination of them over the highways of this state from any point of origin to any point of destination for-hire. The transportation of such vehicles by the full mount method on trailers or semitrailers shall not be included in the term;

(5) (a) "Disabled persons vehicle" means a motor vehicle especially equipped and used for the transportation of persons with disabilities and which is in compliance with the accessibility specifications of 49 C.F.R. Part 38, but it shall be designed and constructed to transport not more than fifteen (15) passengers plus the driver. It shall not mean an ambulance as defined in ***Section 1 of this Act***[~~KRS 311.6521~~]. It shall not mean a motor vehicle equipped with a stretcher;

(b) "Disabled persons carrier" means an irregular route common carrier for hire, transporting the general public who require transportation in disabled persons vehicles;

(c) "Disabled persons certificate" means a certificate that grants authority only for the operation of a given number of disabled persons vehicles for hire, the principal operation of which is confined to a specific county;

(6) "Human service transportation delivery" means the provision of transportation services to any person that is an eligible recipient in one (1) of the following state programs:

(a) Nonemergency medical transportation under KRS Chapter 205;

(b) Mental health, mental retardation, or comprehensive care under KRS Chapter 202A, 202B, 210, or 645;

(c) Kentucky Works Program under KRS Chapter 194 or 205;

(d) Aging services under KRS Chapter 205, 209, 216, or 273;

(e) Vocational rehabilitation under KRS 151B or 157; or

(f) Blind industries or rehabilitation under KRS Chapter 151B or 163;

(7) "Delivery area" means one (1) or more regions established by the cabinet in administrative regulations promulgated under KRS Chapter 13A for the purpose of providing human service transportation delivery in that region;

(8) "Broker" means a person selected by the cabinet through a request for proposal process to coordinate human service transportation delivery within a specific delivery area. A broker may also provide transportation services within the specific delivery area for which the broker is under contract with the cabinet;

(9) "Subcontractor" means a person who has signed a contract with a broker to provide human service transportation delivery within a specific delivery area and who meets human service transportation delivery requirements, including proper operating authority; and

(10) "CTAC" means the Coordinated Transportation Advisory Committee created under KRS 281.870.

Section 38. KRS 281.605 is amended to read as follows:

The provisions of this chapter shall not apply, except as to safety regulations, to:

(1) Motor vehicles used as school buses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities;

(2) Except as provided in paragraph (e) of this subsection, motor vehicles, regardless of ownership, used exclusively:

  (a) For the transportation of agricultural and dairy products, including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry, and eggs, while owned by the producer of the products, including landlord where the relation of landlord and tenant or landlord and cropper is involved, from the farm to a market, warehouse, dairy, or mill, or from one (1) market, warehouse, dairy, or mill to another market, warehouse, dairy, or mill;

  (b) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essential to farm operation, from market or shipping terminal to farm;

  (c) For both the purposes described in paragraphs (a) and (b) of this subsection;

  (d) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return; or

  (e) Motor vehicles used for the transportation of fly ash, in bags, sacks, or other containers, the aggregate weight of which does not exceed ten thousand (10,000) pounds; or bottom ash, waste ash, sludge, and pozatec which is being removed from the premises of a power generator facility for the purpose of disposal;

(3) Motor vehicles used exclusively as church buses and while operated in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities;

(4) Motor vehicles used exclusively for the transportation of property belonging to a nonprofit cooperative association or its members where the vehicle is owned or leased exclusively by the association;

(5) Motor vehicles owned in whole or in part by any person and used by such person to transport commodities of which such person is the bona fide owner, lessee, consignee, or bailee; provided, however, that such transportation is for the purpose of sale, lease, rent, or bailment, and is an incidental adjunct to an established private business owned and operated by such person within the scope and in furtherance of any primary commercial enterprise of such person other than the business of transportation of property for hire;

(6) Motor vehicles used in pick-up or delivery service within a city or within a city and its commercial area for a carrier by rail;

(7) Motor vehicles used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple where the railhead or tipple is located at a point not more than fifty (50) air miles from the point at which the coal is mined;

(8) Motor vehicles used as ambulances in transporting wounded, injured, or sick animals or as ambulances as defined in ***Section 1 of this Act***[~~KRS 311.6521~~];

(9) Motor vehicles used by transit authorities as created and defined in KRS Chapter 96A except as required by KRS 96A.170. Vehicles operated under the authority and direct responsibility of such transit authorities, through contractual agreement, shall be included within this exemption, without regard to the legal ownership of the vehicles, but only for such times as they are operated under the authority and responsibility of the transit authority;

(10) Motor vehicles having a seating capacity of fifteen (15) or fewer passengers and while transporting persons between their places of residence, on the one hand, and, on the other, their places of employment, provided the driver himself is on his way to or from his place of employment, and further provided that any person who operates or controls the operation of vehicles hereunder of which said person is the owner or lessee, and any spouse of said person and any partnership or corporation with said person or his spouse having an interest therein doing such, shall be eligible to so operate an aggregate number of not more than one (1) vehicle on other than a nonprofit basis;

(11) Motor vehicles used to transport cash letters, data processing material, instruments, or documents, regardless of the ownership of any of said cash letters, data processing material, instruments, or documents;

(12) Motor vehicles operated by integrated intermodal small package carriers who provide intermodal-air-and-ground-transportation. For the purposes of this section, "integrated intermodal small package carrier" shall mean an air carrier holding a certificate of public convenience and necessity or qualifying as an indirect air carrier that undertakes, by itself or

through a company affiliated through common ownership, to provide intermodal-air-and-ground-transportation, and "intermodal-air-and-ground-transportation" shall mean transportation involving the carriage of articles weighing not more than one hundred fifty (150) pounds by aircraft or other forms of transportation, including by motor vehicle, wholly within the Commonwealth of Kentucky. The incidental or occasional use of aircraft in transporting packages or articles shall not constitute an integrated intermodal operation within the meaning of this section; or

(13) Motor vehicles operated pursuant to a grant of funds in furtherance of and governed by 49 U.S.C. secs. 5310 or 5311, including all amendments, and whose operators have jurisdictions and services approved annually by the Transportation Cabinet in accordance with 49 C.F.R. Title VI.

Section 39. KRS 311.666 is amended to read as follows:

As used in KRS 311.665 to 311.669, unless the context requires otherwise:

(1) "Automated external defibrillator" or "AED" means an external defibrillator capable of cardiac rhythm analysis which will charge and, with or without further operator action, deliver a shock after electronically detecting and assessing ventricular fibrillation or rapid ventricular tachycardia. These devices are known as fully or semiautomatic defibrillators;

(2) "Cardiopulmonary resuscitation" or "CPR" means a basic emergency procedure for life support, consisting of artificial respiration and manual external cardiac massage; and

(3) "Emergency medical services system" means the same as in ***Section 1 of this Act***[~~KRS 311.6521~~].

Section 40. KRS 311.669 is amended to read as follows:

(1) The provisions of KRS 311.665 to 311.669 shall not apply to the use of an AED by:
   (a) Physicians, podiatrists, or osteopaths licensed under KRS Chapter 311 or chiropractors licensed under KRS Chapter 312;
   (b) Physician assistants as defined in KRS 311.550;
   (c) Registered nurses, practical nurses, or advanced registered nurse practitioners licensed under KRS Chapter 314;
   (d) Dentists licensed under KRS Chapter 313; or
   (e) Paramedics ***licensed or first responders***[~~ certified under KRS 311.654~~], or emergency medical technicians certified***,*** under KRS ***Chapter 311A***[~~211.964~~].

(2) Nothing in this section shall preclude the licensing boards referred to in subsection (1) of this section from requiring continuing education or training on the use of an AED.

Section 41. KRS 314.181 is amended to read as follows:

(1) A registered nurse who is employed by an ambulance service shall complete training in determination of death and preservation of evidence as required by the board through the promulgation of administrative regulations in accordance with KRS Chapter 13A.

(2) A registered nurse who is employed by an ambulance service shall determine whether or not a patient served by the ambulance service is dead. The registered nurse shall utilize the protocol specified by the board by administrative regulations. The registered nurse shall, when responding to a patient, first attempt resuscitation, unless the protocol indicates that the patient is not capable of being resuscitated.

(3) If it is determined that death has occurred in accordance with the procedures of KRS 446.400(1) concerning patients whose circulation and respiration are not being artificially maintained, the registered nurse who is employed by an ambulance service may make the actual determination and pronouncement of death.

(4) When the determination and pronouncement of death of a patient whose circulation and respiration are not being artificially maintained, as required under KRS 446.400(1), occurs in a hospital or nursing facility, that declaration may be made by a registered nurse, in addition to any other person permitted by law to determine and pronounce death. The nurse shall notify the patient's attending physician of the death in accordance with the hospital's or facility's policy.

(5) In the event that a registered nurse who is employed by an ambulance service determines that a person is dead, the registered nurse shall make the notifications required by KRS 72.020 and take the protective actions required by that statute.

(6) The administration of cardiopulmonary resuscitation or other basic life support measures to the apparently dead person, prior to the arrival of the registered nurse who is employed by an ambulance service, by any person shall not be considered as artificial maintenance of respiration and circulation for the purposes of this section and KRS 446.400. The administration of advanced cardiac life support procedures by any person, other than a paramedic rendering care pursuant to ***Section 33 of this Act***[~~KRS 311.660~~], prior to the arrival of the registered nurse shall preclude the determination of death by the registered nurse, and the provisions of KRS 446.400 shall apply. Nothing in this section shall preclude the supervising physician from directing the registered nurse who is employed by an ambulance service to cease resuscitative efforts under approved agency medical protocols.

(7) The resuscitative efforts of a nurse under protocols authorized by this section shall not invoke the provisions of KRS 446.400.

Section 42. KRS 311.990 is amended to read as follows:

(1) Any person who violates KRS 311.250 shall be guilty of a violation.

(2) Any college or professor thereof violating the provisions of KRS 311.300 to 311.350 shall be civilly liable on his bond for a sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each violation, which may be recovered by an action in the name of the Commonwealth.

(3) Any person who presents to the county clerk for the purpose of registration any license which has been fraudulently obtained, or obtains any license under KRS 311.380 to 311.510 by false or fraudulent statement or representation, or practices podiatry under a false or assumed name or falsely impersonates another practitioner or former practitioner of a like or different name, or aids and abets any person in the practice of podiatry within the state without conforming to the requirements of KRS 311.380 to 311.510, or otherwise violates or neglects to comply with any of the provisions of KRS 311.380 to 311.510, shall be guilty of a Class A misdemeanor. Each case of practicing podiatry in violation of the provisions of KRS 311.380 to 311.510 shall be considered a separate offense.

(4) Each first violation of KRS 311.560 is a Class A misdemeanor. Each subsequent violation of KRS 311.560 shall constitute a Class D felony.

(5) Each violation of KRS 311.590 shall constitute a Class D felony. Conviction under this subsection of a holder of a license or permit shall result automatically in permanent revocation of such license or permit.

(6) Conviction of willfully resisting, preventing, impeding, obstructing, threatening, or interfering with the board or any of its members, or of any officer, agent, inspector, or investigator of the board or the Cabinet for Health Services, in the administration of any of the provisions of KRS 311.550 to 311.620 shall be a Class A misdemeanor.

(7) Each violation of subsection (1) of KRS 311.375 shall, for the first offense, be a Class B misdemeanor, and, for each subsequent offense shall be a Class A misdemeanor.

(8) Each violation of subsection (2) of KRS 311.375 shall, for the first offense, be a violation, and, for each subsequent offense, be a Class B misdemeanor.

(9) Each day of violation of either subsection of KRS 311.375 shall constitute a separate offense.

(10) (a) Any person who intentionally or knowingly performs an abortion contrary to the requirements of KRS 311.723(1) shall be guilty of a Class D felony; and

(b) Any person who intentionally, knowingly, or recklessly violates the requirements of KRS 311.723(2) shall be guilty of a Class A misdemeanor.

(11) (a) 1. Any physician who performs a partial-birth abortion in violation of KRS 311.765 shall be guilty of a Class D felony. However, a physician shall not be guilty of the criminal offense if the partial-birth abortion was necessary to save the life of the mother whose life was endangered by a physical disorder, illness, or injury.

2. A physician may seek a hearing before the State Board of Medical Licensure on whether the physician's conduct was necessary to save the life of the mother whose life was endangered by a physical disorder, illness, or injury. The board's findings, decided by majority vote of a quorum, shall be admissible at the trial of the physician. The board shall promulgate administrative regulations to carry out the provisions of this subparagraph.

3. Upon a motion of the physician, the court shall delay the beginning of the trial for not more than thirty (30) days to permit the hearing, referred to in subparagraph 2. of this paragraph, to occur.

(b) Any person other than a physician who performs a partial-birth abortion shall not be prosecuted under this subsection but shall be prosecuted under provisions of law which prohibit any person other than a physician from performing any abortion.

(c) No penalty shall be assessed against the woman upon whom the partial-birth abortion is performed or attempted to be performed.

(12) Any person who intentionally performs an abortion with knowledge that, or with reckless disregard as to whether, the person upon whom the abortion is to be performed is an unemancipated minor, and who intentionally or knowingly fails to conform to any requirement of KRS 311.732 is guilty of a Class A misdemeanor.

(13) Any person who negligently releases information or documents which are confidential under KRS 311.732 is guilty of a Class B misdemeanor.

(14) Any person who performs an abortion upon a married woman either with knowledge or in reckless disregard of whether KRS 311.735 applies to her and who intentionally, knowingly, or recklessly fails to conform to the requirements of KRS 311.735 shall be guilty of a Class D felony.

(15) Any person convicted of violating KRS 311.750 shall be guilty of a Class B felony.

(16) Any person who violates KRS 311.760(2) shall be guilty of a Class D felony.

(17) Any person who violates KRS 311.770 or 311.780 shall be guilty of a Class D felony.

(18) A person convicted of violating KRS 311.780 shall be guilty of a Class C felony.

(19) Any person who violates KRS 311.810 shall be guilty of a Class A misdemeanor.

(20) Any professional medical association or society, licensed physician, or hospital or hospital medical staff who shall have violated the provisions of KRS 311.606 shall be guilty of a Class B misdemeanor.

(21)[~~Any person who falsely represents that he or she is a paramedic, emergency medical technician first responder, or medical technician shall be guilty of a Class A misdemeanor.~~

~~(22)~~] Any administrator, officer, or employee of a publicly owned hospital or publicly owned health care facility who performs or permits the performance of abortions in violation of KRS 311.800(1) shall be guilty of a Class A misdemeanor.

(22)[~~(23)~~] Any person who violates KRS 311.914 shall be guilty of a violation.

(23)[~~(24)~~] Any person who violates the provisions of KRS 311.820 shall be guilty of a Class A misdemeanor.

(24)[~~(25)~~] (a) Any person who fails to test organs, skin, or other human tissue which is to be transplanted, or violates the confidentiality provisions required by KRS 311.281, shall be guilty of a Class A misdemeanor;

(b) Any person who has human immunodeficiency virus infection, who knows he is infected with human immunodeficiency virus, and who has been informed that he may communicate the infection by donating organs, skin, or other human tissue who donates organs, skin, or other human tissue shall be guilty of a Class D felony.

(25)[~~(26)~~] Any person who sells or makes a charge for any transplantable organ shall be guilty of a Class D felony.

(26)[~~(27)~~] Any person who offers remuneration for any transplantable organ for use in transplantation into himself shall be fined not less than five thousand dollars ($5,000) nor more than fifty thousand dollars ($50,000).

(27)[~~(28)~~] Any person brokering the sale or transfer of any transplantable organ shall be guilty of a Class C felony.

(28)[~~(29)~~] Any person charging a fee associated with the transplantation of a transplantable organ in excess of the direct and indirect costs of procuring, distributing, or transplanting the transplantable organ shall be fined not less than fifty thousand dollars ($50,000) nor more than five hundred thousand dollars ($500,000).

(29)[~~(30)~~] Any hospital performing transplantable organ transplants which knowingly fails to report the possible sale, purchase, or brokering of a transplantable organ shall be fined not less than ten thousand dollars ($10,000) or more than fifty thousand dollars ($50,000).

Section 43. The following KRS sections are repealed:

216B.410 Reports and records of licensed ambulance providers and medical first response providers -- Annual report by cabinet -- Exemptions from disclosure requirements.

311.652 Current valid license required -- Violation of law or regulation.

311.6521 Definitions for KRS 311.652 to 311.658.

311.6522 Current valid certification as emergency medical technician required -- Violation of law or administrative regulations.

311.6523 Kentucky Board of Emergency Medical Services -- Members -- Duties.

311.6524 Board to promulgate administrative regulations to carry out the functions of KRS 311.652 to 311.658.

311.6525 Legislative declaration of purpose of KRS 311.6526.

311.6526 Emergency Medical Services for Children Program.

311.653 Educational course concerning AIDS required for certification.

311.6531 Educational course concerning AIDS required for certification as emergency medical technician.

311.654 Administrative regulations.

311.6541 Administrative regulations -- Certification and recertification procedures for emergency medical technicians and others.

311.656 Fees and charges.

311.6561 Fees and charges.

311.6563 Matching fund program to assist local units of government to purchase ambulances and equipment and provide for and educate trained emergency medical services personnel.

311.6577 Investigation and discipline of entities licensed by the board, paramedics, emergency medical technician first responders, and emergency medical technicians -- Sanctions -- Appeals.

311.6579 Certification and utilization of emergency medical technicians and first responders restricted.

311.658 Services permitted -- Supervision.

311.660 Paramedic's resuscitation protocol -- Determination of death -- Training -- Procedures not deemed artificial maintenance of respiration and circulation.

HB 519, AN ACT relating to volunteer firefighters.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.315 is amended to read as follows:

(1) As used in this section, "police officer" means every paid police officer, sheriff, or deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any auxiliary police officer appointed pursuant to KRS 95.445, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, elected to office, or employed by any county, airport board created pursuant to KRS Chapter 183, city, or by the state; "firefighter" means every paid firefighter or volunteer firefighter who is employed by or volunteers his services to the state, airport board created pursuant to KRS Chapter 183, any county, city, fire district, or any other organized fire department recognized, pursuant to KRS 95A.262, as a fire department operated and maintained on a nonprofit basis in the interest of the health and safety of the inhabitants of the Commonwealth.~~[If death benefits are paid under KRS 61.316 to eligible survivors of a volunteer firefighter, then no benefits shall be paid to those survivors under this section.]~~

(2) The spouse of any police officer, sheriff, deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any auxiliary police officer appointed pursuant to KRS 95.445, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, firefighter, ***volunteer firefighter,*** or member of the Kentucky National Guard on state active duty pursuant to KRS 38.030, whose death occurs on or after July 1, 1991, as a direct result of an act in the line of duty shall receive a lump-sum payment of fifty thousand dollars ($50,000) if there are no surviving children, which sum shall be paid by the State Treasurer from the general expenditure fund of the State Treasury. If there are surviving children and a surviving spouse, the payment shall be apportioned equally among the surviving children and the spouse. If there is no surviving spouse, the payment shall be made to the surviving children, eighteen (18) or more years of age. For surviving children less than eighteen (18) years of age, the State Treasurer shall:

(a) Pay twenty thousand dollars ($20,000) to the surviving children; and

(b) Hold thirty thousand dollars ($30,000) in trust divided into equal accounts at appropriate interest rates for each surviving child until the child reaches the age of eighteen (18) years.

If a child dies before reaching the age of eighteen (18) years, his account shall be paid to his estate. If there are no surviving children, the payment shall be made to any parents of the deceased.

(3) The Commission on Fire Protection Personnel Standards and Education shall be authorized to promulgate administrative regulations establishing criteria and procedures applicable to the administration of this section as it pertains to both paid and volunteer firefighters, including, but not limited to, defining when a firefighter has died in line of duty. Administrative hearings promulgated by administrative regulation under authority of this subsection shall be conducted in accordance with KRS Chapter 13B.

(4) The Justice Cabinet may promulgate administrative regulations establishing criteria and procedures applicable to the administration of this section as it pertains to police officers, including, but not limited to, defining when a police officer has died in line of duty. Administrative hearings promulgated by administrative regulation under authority of this subsection shall be conducted in accordance with KRS Chapter 13B.

(5) The Department of Corrections shall promulgate administrative regulations establishing the criteria and procedures applicable to the administration of this section as it pertains to correctional employees, including, but not limited to, defining which employees qualify for coverage and which circumstances constitute death in the line of duty.

(6) The benefits payable under this section shall be in addition to any benefits now or hereafter prescribed under any police, sheriff, firefighter's, ***volunteer firefighter's,*** or National Guard retirement or benefit fund established by the federal government or by any state, county, or any municipality.

(7) Any funds appropriated for the purpose of paying the death benefits described in subsection (2) of this section shall be allotted to a self-insuring account. These funds shall not be used for the purpose of purchasing insurance.

Section 2. KRS 95A.262 is amended to read as follows:

(1) The Commission on Fire Protection Personnel Standards and Education shall, in cooperation with the Cabinet for Health Services, develop and implement a continuing program to inoculate every paid and volunteer firefighter in Kentucky against hepatitis B. The program shall be funded from revenues allocated to the Firefighters Foundation Program fund pursuant to KRS 136.392 and 42.190. Any fire department which has inoculated its personnel during the period of July 1, 1991 to July 14, 1992, shall be reimbursed from these revenues for its costs incurred up to the amount allowed by the Cabinet for Human Resources for hepatitis B inoculations.

(2) Except as provided in subsection (3) of this section~~[and KRS 61.316]~~, the Commission on Fire Protection Personnel Standards and Education shall allot on an annual basis a share of the funds accruing to and appropriated for volunteer fire department aid to volunteer fire departments in cities of all classes, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and volunteer fire departments created as nonprofit corporations pursuant to KRS Chapter 273. The commission shall allot eight thousand dollars ($8,000) annually to each qualifying department, and beginning on July 1, 2001, the commission shall allot eight thousand two hundred fifty dollars ($8,250) annually to each qualifying department. Any qualifying department which fails to participate satisfactorily in the Kentucky fire incident reporting system as described in KRS 304.13-380 shall forfeit annually five hundred dollars

($500) of its allotment. The commission shall recommend to the commissioner of the Department of Housing, Buildings and Construction the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A to define satisfactory participation in the Kentucky fire incident reporting system. Administrative regulations for determining qualifications shall be based on the number of both paid firefighters and volunteer firemen within a volunteer fire department, the amount of equipment, housing facilities available, and such other matters or standards as will best effect the purposes of the volunteer fire department aid law. A qualifying department shall include at least twelve (12) firefighters, a chief, and at least one (1) operational fire apparatus or one (1) on order. Fifty percent (50%) of the firefighters shall have completed at least one-half (1/2) of one hundred fifty (150) training hours toward certification within the first six (6) months of the first year of the department's application for certification, and there shall be a plan to complete the one hundred fifty (150) training hours within the second year. These personnel, equipment, and training requirements shall not be made more stringent by the promulgation of administrative regulations. No allotment shall exceed the total value of the funds, equipment, lands, and buildings made available to the local fire units from any source whatever for the year in which the allotment is made. A portion of the funds provided for above may be used to purchase group or blanket health insurance and shall be used to purchase workers' compensation insurance, and the remaining funds shall be distributed as set forth in this section.

(3) There shall be allotted two hundred thousand dollars ($200,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund that shall be allocated each fiscal year of the biennium to the firefighters training center fund, which is hereby created and established, for the purposes of constructing new or upgrading existing training centers for firefighters. If any moneys in the training center fund remain uncommitted, unobligated, or unexpended at the close of the first fiscal year of the biennium, then such moneys shall be carried forward to the second fiscal year of the biennium, and shall be reallocated to and for the use of the training center fund, in addition to the second fiscal year's allocation of two hundred thousand dollars ($200,000). Prior to funding any project pursuant to this subsection, a proposed project shall be approved by the Commission on Fire Protection Personnel Standards and Education as provided in subsection (4) of this section and shall comply with state laws applicable to capital construction projects.

(4) Applications for funding low-interest loans and firefighters' training centers shall be submitted to the Commission on Fire Protection Personnel Standards and Education for their recommendation, approval, disapproval, or modification. The commission shall review applications periodically, and shall, subject to funds available, recommend which applications shall be funded and at what levels, together with any terms and conditions the commission deems necessary.

(5) Any department or entity eligible for and receiving funding pursuant to this section shall have a minimum of fifty percent (50%) of its personnel certified as recognized by the Commission on Fire Protection Personnel Standards and Education.

(6) Upon the written request of any department, the Commission on Fire Protection Personnel Standards and Education shall make available a certified training program in a county of which such department is located.

(7) The amount of reimbursement for any given year for costs incurred by the Kentucky Community and Technical College System for administering these funds, including, but not limited to, the expenses and costs of commission operations, shall be determined by the commission and shall not exceed five percent (5%) of the total amount of moneys accruing to the Firefighters Foundation Program fund which are allotted for the purposes specified in this section during any fiscal year.

(8) The commission shall withhold from the general distribution of funds under subsection (2) of this section an amount which it deems sufficient to reimburse volunteer fire departments for equipment lost or damaged beyond repair due to hazardous material incidents.

(9) Moneys withheld pursuant to subsection (8) of this section shall be distributed only under the following terms and conditions:

(a) A volunteer fire department has lost or damaged beyond repair items of personal protective clothing or equipment due to that equipment having been lost or damaged as a result of an incident in which a hazardous material (as defined in any state or federal statute or regulation) was the causative agent of the loss;

(b) The volunteer fire department has made application in writing to the commission for reimbursement in a manner approved by the commission and the loss and the circumstances thereof have been verified by the commission;

(c) The loss of or damage to the equipment has not been reimbursed by the person responsible for the hazardous materials incident or by any other person;

(d) The commission has determined that the volunteer fire department does not have the fiscal resources to replace the equipment;

(e) The commission has determined that the equipment sought to be replaced is immediately necessary to protect the lives of the volunteer firefighters of the fire department;

(f) The fire department has agreed in writing to subrogate all claims for and rights to reimbursement for the lost or damaged equipment to the Commonwealth to the extent that the Commonwealth provides reimbursement to the department; and

(g) The department has shown to the satisfaction of the commission that it has made reasonable attempts to secure reimbursement for its losses from the person responsible for the hazardous materials incident and has been unsuccessful in the effort.

(10) If a volunteer fire department has met all of the requirements of subsection (9) of this section, the commission may authorize a reimbursement of equipment losses not exceeding ten thousand dollars ($10,000) or the actual amount of the loss, whichever is less.

(11) Moneys which have been withheld during any fiscal year which remain unexpended at the end of the fiscal year shall be distributed in the normal manner required by subsection (2) of this section during the following fiscal year.

(12) No volunteer fire department may receive funding for equipment losses more than once during any fiscal year.

(13) The commission shall make reasonable efforts to secure reimbursement from the responsible party for any moneys awarded to a fire department pursuant to this section.

(14) There shall be allotted each year of the 1992-93 biennium one million dollars ($1,000,000), and each year of the 1994-95, 1996-97, 1998-99, and 2000-01 bienniums one million dollars ($1,000,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund for the purpose of creating a revolving low-interest loan fund, which shall thereafter be self-sufficient and derive its operating revenues from principal and interest payments. The commission, in accordance with the procedures in subsection (4) of this section, may make low-interest loans, and the interest thereon shall not exceed three percent (3%) annually or the amount needed to sustain operating expenses of the loan fund, whichever is less, to volunteer fire departments for the purposes of major equipment purchases and facility construction. Loans shall be made to departments which achieve the training standards necessary to qualify for volunteer fire department aid allotted pursuant to subsection (2) of this section, and which do not have other sources of funds at rates which are favorable given their financial resources. The proceeds of loan payments shall be returned to the loan fund for the purpose of providing future loans. If a department does not make scheduled loan payments, the commission may withhold any grants payable to the department pursuant to subsection (2) of this section until the department is current on its payments. Money in the low-interest loan fund shall be used only for the purposes specified in this subsection. Any funds remaining in the fund at the end of a fiscal year shall be carried forward to the next fiscal year for the purposes of the fund.

Section 3. The following KRS section is repealed:

61.316 Benefits to be paid on death of volunteer firefighter -- Volunteer firefighter defined -- Rules and regulations.

HB 540, AN ACT relating to state and local planning for power suppliers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 8, 11, and 13 of this Act, unless the context requires otherwise:

(1) "Board" means the Kentucky State Board on Electric Generation and Transmission Siting and the Environment;

(2) "Merchant plant" means an electricity generating plant, together with associated facilities, that is:

(a) Capable of operating at a capacity of ten megawatts (10MW) or more; and

(b) Sells the electricity it produces at wholesale, at rates and charges not regulated by the Public Service Commission;

(3) "Person" means any individual, corporation, public corporation, political subdivision, governmental agency, municipality, partnership, cooperative-operative association, trust, estate, or any other entity;

(4) "Commence to construct" means breaking ground for the purpose of constructing any facility for which board approval is required, but does not include surveying changes needed for temporary use of a site or route, or uses in securing geological data, including borings, to ascertain foundation conditions;

(5) "Nonregulated electric transmission line" means an electric transmission line and related appurtenances for which no certificate of public convenience and necessity is required and which is not operated as an activity regulated by the Public Service Commission; and

(6) "Residential neighborhood" means a populated area of five (5) or more acres containing at least one (1) occupied residential structure per acre.

SECTION 2. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established the Kentucky State Board on Electric Generation and Transmission Siting and the Environment. The board shall be composed of seven (7) members as follows:

(a) The three (3) members of the Kentucky Public Service Commission;

(b) The secretary of the Natural Resources and Environmental Protection Cabinet;

(c) The secretary of the Cabinet for Economic Development; and

(d) Two (2) ad hoc public members to be appointed by the Governor from a county where a facility subject to board approval is proposed to be located.

1. One (1) of the ad hoc public members shall be the chairman of the planning commission with jurisdiction over an area in which a facility subject to board approval is proposed to be located. If the proposed location is not within a jurisdiction with a planning commission, then the Governor shall *appoint either the county judge/executive of a county that contains the proposed location of the facility or the mayor of a city, if the facility is proposed to be within a city.*

2. One (1) of the ad hoc public members shall be appointed by the Governor and shall be a resident of a county in which the facility is proposed to be located.

(2) The term of service for the ad hoc members of the board shall continue until the board issues a final determination in the proceeding for which they were appointed. The remaining members of the board shall be permanent members.

(3) The board shall be attached to the Public Service Commission for administrative purposes. The commission staff shall serve as permanent administrative staff for the board. The board may enter into personal service contracts and may call upon the staff of the Natural Resources and Environmental Protection Cabinet and the Cabinet for Economic Development for assistance, as necessary.

(4) The chairman of the Public Service Commission shall be the chairman of the board and shall serve as its chief executive officer. The chairman shall designate one (1) of the members of the board as vice chairman, who shall possess all the powers of the chairman in the absence or disability of the chairman. The executive director of a statewide board or agency charged with the review of the impact of electric generating facilities and transmission on the Commonwealth shall serve as the executive secretary and chief administrative officer for the board. The Public Service Commission shall be responsible for maintaining the official records of the board's proceedings, including all approved orders.

(5) A majority of the members of the board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the board. No vacancy on the board shall impair the right of the remaining members to exercise all of the powers of the board.

(6) Each member shall have one (1) vote and a majority vote of the members present shall control on all questions.

(7) Every order or finding issued by the board shall be in writing and shall be entered on the records of the board. A certificate of the board that any order or finding has not been modified, stayed, suspended, or revoked shall be received as evidence in any proceeding as to the facts stated therein.

(8) The board shall convene upon the call of the chairman. The chairman shall convene a meeting of the board upon receipt of a complete application provided under Section 4, 7, or 8 of this Act for the purpose of taking action on the application.

(9) No member of the board shall receive any salary or fee for service on the board, but each member shall be reimbursed for actual travel and expenses related directly to service on the board.

SECTION 3. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person, including a person who has applied for an air quality or other necessary permit prior to the effective date of this Act, shall commence to construct a merchant plant until the person has applied for and obtained approval for the plant from the board.

(2) Replacement of an existing generating facility with a like facility shall not, for the purposes of Sections 3, 4, 5, and 6 of this Act, constitute construction of a merchant plant.

(3) Except for a proposed site where electric generating facilities capable of generating ten megawatts (10MW) or more currently exist, no electric generating facility proposed to be constructed, pursuant to Sections 3, 4, 5, 6, and 7 of this Act, shall be constructed unless the proposed site is:

(a) At least five hundred (500) feet from any occupied residential structure; and

(b) At least two thousand (2,000) feet from any residential neighborhood, historic structure eligible for inclusion in the National Register of Historic Places, school, hospital, or nursing home facility.

SECTION 4. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) Any person seeking to obtain board approval to construct a merchant power plant shall file an application at the offices of the Public Service Commission. At the time of filing the application, a copy of the application shall be sent to each of the permanent members of the board.

(2) A completed application shall include the following:

(a) The name, address, and telephone number of the person proposing to construct and own the merchant power plant;

(b) A full description of the proposed site, including a map showing the distance of the proposed site from residential neighborhoods, the nearest residential structure, schools, and public and private parks that are located within a two (2) mile radius of the proposed plant;

(c) Evidence of public notice that shall include the location of the proposed site, state that the proposed construction is subject to approval by the board, and provide the telephone number and address of the Public Service Commission. Public notice shall be given within thirty (30) days immediately preceding the application filing to:

1. Landowners whose property borders the proposed site; and

2. The general public in a newspaper of general circulation in the county or municipality in which the plant is proposed to be located;

(d) A statement certifying that the proposed plant will be in compliance with all local ordinances and regulations concerning noise control and with any applicable local planning and zoning ordinances;

(e) A statement that the proposed site is at least five hundred (500) feet from any occupied residential structure and two thousand (2,000) feet from any residential neighborhood, historic structure eligible for inclusion in the National Register of Historic Places, school, hospital, or nursing home facility, unless facilities capable of generating ten megawatts (10MW) or more currently exist on the site;

(f) A report on the environmental compatibility of the proposed facility issued by the Natural Resources and Environmental Protection Cabinet or any local pollution control district exercising concurrent jurisdiction with the cabinet. The report shall be submitted along with the applicant's statement of environmental compatibility upon which the report is based. The applicant shall have submitted its statement of environmental compatibility to the local pollution control district or to the Natural Resources and Environmental Protection Cabinet at least ninety (90) days prior to its application to the board, together with a fee for evaluation as set pursuant to KRS 224.10-100(20), and such information as the Natural Resources and Environmental Protection Cabinet or local pollution control district considers necessary in making its report to the board, including but not limited to the following:

1. A complete description of the proposed project; and

2. Analysis of the direct and cumulative effects of the siting and operating of the proposed facility and associated facilities on public health and the environment, including analysis of the impacts on air, land, water resources, compatibility with land uses and local ordinances governing pollution and nuisances, and integrated environmental and public health risk assessment.

(g) The applicant may file, and the board shall accept if filed, documentation of compliance with the National Environmental Policy Act (NEPA) as evidence of a statement of environmental compatibility and compliance as required by this section;

(h) A complete report of the applicant's public involvement program activities undertaken prior to the filing of the application, including any use of media coverage, direct mailing, fliers, newsletters, public meetings, establishment of a community advisory group, and any other efforts to obtain local involvement in the siting process;

(i) A summary of the efforts made by the applicant to locate the proposed facility on a site where existing electric generating facilities are located;

(j) Proof of service of a copy of the application upon the chief executive officer of each county and municipal corporation in which the proposed facility is to be located, and upon the chief officer of each public agency charged with the duty of planning land use in the jurisdiction in which the facility is proposed to be located;

(k) An analysis of the proposed facility's projected effect on the electricity transmission system in Kentucky;

(l) An analysis of the proposed facility's economic impact on the affected region and the state;

(m) A detailed listing of all violations by it, or any of its affiliates or subsidiaries, of federal or state laws, rules, or administrative regulations, whether judicial or administrative, where violations have resulted in criminal convictions or civil or administrative fines exceeding one thousand dollars ($1,000). The status of any pending action, whether judicial or administrative, shall also be submitted; and

(n) A nonrefundable application fee in an amount to be specified by administrative regulation promulgated by the board, to defray the expenses of the application process including expenses incurred by the board, the Public Service Commission, and other state agencies and any legal expenses associated with any action to review the board's decision.

(3) All application fees provided under subsection (2)(n) of this section, shall be deposited in a trust and agency account to the credit of the Public Service Commission. If a majority of the members of the board find that the applicant's initial fees are not sufficient to pay expenses associated with review of the application and the board's decision, the board shall assess a supplemental application fee to cover anticipated additional expenses associated with the review of the application. An applicant's failure to pay a fee assessed pursuant to this subsection shall be grounds for denial of the application.

SECTION 5. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) Within one hundred twenty (120) days of receipt of an application that complies with subsections (1) to (3) of Section 4 of this Act, or within ninety (90) days of receipt of the application, if no hearing is requested, the board shall, by majority vote, approve, or disapprove the application either in whole or in part. Approval or disapproval shall be based upon the following criteria:

(a) The environmental impact of the proposed facility;

(b) The economic impact of the facility upon the affected region and the state;

(c) Whether the facility is proposed for a site upon which existing generating facilities, capable of generating ten megawatts (10MW) or more of electricity, are currently located; and if the facility is not proposed for such a site, whether it is feasible to locate the facility upon such a site;

(d) Whether the proposed plant will comply with all applicable federal, state, and local laws pertaining to air pollution, water pollution, and solid and hazardous waste disposal and any applicable administrative regulations promulgated thereunder;

(e) Whether the direct and cumulative effects of the siting and operation of the proposed facility and associated structures have been reasonably mitigated to avoid adverse effects on the health and welfare of the public and the environment. Approval of a proposed site by the board may be conditioned on incorporation into approvals and permits, appropriate and enforceable conditions, limitations, or other requirements to assure that effects will be reasonably mitigated or offset in order to avoid such adverse effects. The requirements imposed under this subsection may include but are not limited to setbacks, additional technological controls, and monitoring;

(f) Whether the proposed plant will, notwithstanding KRS 100.324, meet all local planning and zoning requirements that existed on the date the application was filed;

(g) Whether the additional load imposed upon the electricity transmission system by use of the merchant plant will adversely affect the reliability of service for retail customers of electric utilities regulated by the Public Service Commission;

(h) Whether the applicant has met all requirements for electricity transmission interconnection under Kentucky law and the open access transmission tariff of the host transmission owner or regional transmission operator;

(i) Whether the applicant has made good faith efforts to communicate and cooperate with the public during the siting process; and

(j) Whether the applicant has a good environmental compliance history.

(2) When considering an application for approval of a merchant plant, the board may consider the policy of the General Assembly to encourage the use of coal as a principal fuel for electricity generation as set forth in KRS 152.210.

(3) A person that has received board authorization to construct a merchant plant shall not transfer rights and obligations pursuant to the terms of the authorization without having first applied for and received a board determination that:

(a) The acquirer has a good environmental compliance history; and

(b) The acquirer has the technical and financial capacity to meet the obligations imposed by the terms of the approval.

(4) An application to transfer board authorization to construct a merchant plant provided under subsection (3) of this section, shall be filed at the offices of the Public Service Commission, with a copy to each permanent member of the board and to the ad hoc members of the board who participated in the initial review of the proposed plant. The application shall be accompanied by a filing fee sufficient to pay expenses associated with review of the application in an amount to be specified by administrative regulation promulgated by the board, which may be supplemented, if necessary, as prescribed in subsection (2)(n) of Section 4 of this Act. Fees shall be deposited into a trust and agency account to the credit of the Public Service Commission.

SECTION 6. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) The board may convene a public hearing pursuant to consider an application filed under Section 4, 7, or 8 of this Act. If the board convenes a public hearing, the hearing shall be held not more than sixty (60) days after receipt of a complete application.

(2) In any hearing on an application to construct an electric generating facility filed pursuant to Section 4 or 7 of this Act or nonregulated transmission line, filed pursuant to Section 8 of this Act, the board shall not be bound by the technical rules of legal evidence. Prior to the hearing, the applicant shall furnish evidence to the board that it has caused public notice of the board hearing on the application. The notice shall be published in a newspaper of general circulation in the county or the counties within which the construction is proposed. The notice shall be published not less than seven (7) days nor more than twenty-one (21) days before the hearing date. The notice shall state the date, time, place, and purpose of the board hearing. Notice shall also state that public comments on the proposed construction shall be received at the board hearing on the application.

(3) Any hearing that the board has power to hold may be undertaken or held, and the evidence taken therein, by any one (1) or more members or a hearing examiner designated for that purpose by the board, and every finding, opinion, or order made by the board or members or hearing examiner so designated shall, when approved or confirmed by the board, become the finding, opinion, or order of the board.

(4) Any interested person, including a person residing in a municipal corporation or county in which the facility is proposed to be constructed may, upon motion of the board, be granted leave to intervene as a party to a proceeding held pursuant to this section. Intervention requests shall be filed with the board not more than thirty (30) days after the facility, subject to board approval, has given public notice pursuant to subsection (2)(b) of Section 4 of this Act.

(5) Any party to a proceeding held pursuant to Sections 4, 5, 7, and 8 of this Act may, within thirty (30) days after service of the board's final ruling, bring an action against the board in Franklin Circuit Court to vacate or set aside the ruling

on grounds that the ruling is unlawful or unreasonable. Any party instituting an action for review of the board's ruling in Franklin Circuit Court shall give notice to all parties of record in the board's proceeding.

SECTION 7. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person, partnership, public or private corporation, or combination thereof shall begin the construction of any facility to be used for the generation of electricity to or for the public for compensation without having first obtained board approval for the siting of the facility.

(2) Notwithstanding any other provision of law, a utility shall not be prevented from purchasing real property or property options in connection with the facility identified in its application, but the public utility or other person shall not be permitted to recover from its ratepayers any expenditures related to the purchases unless the Public Service Commission approves its application for a certificate of public convenience and necessity pursuant to KRS 278.020.

(3) An application to the board by an electric utility for approval to construct a facility as described in subsection (1) of this section, shall include the following:

- *(a) The name, address, and telephone number of the person proposing the construction;*
- *(b) All information and documents required by subsection (2)(b) to (m) of Section 4 of this Act; and*
- *(c) A copy of the certificate for the facility granted by the Public Service Commission pursuant to KRS 278.020 or a copy of the application for a certificate submitted to the Public Service Commission pursuant to KRS 278.020(1).*

(4) The board shall not deny an application filed pursuant to, and in compliance with, this section. However, the board may require reasonable mitigation of significant adverse environmental impacts that would be caused by operation of the facility, but the board shall in no event order relocation of the facility.

SECTION 8. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person shall commence to construct a nonregulated electric transmission line without prior approval of the board. An application for board approval of a nonregulated transmission line shall be filed at the offices of the Public Service Commission, with a copy to each permanent member of the board. A completed application shall include the following:

- *(a) The name, address, and telephone number of the person proposing construction of the nonregulated transmission line;*
- *(b) A full description of the proposed route of the transmission line and its appurtenances. The description shall include a map or maps showing:*
  - *1. The location of the proposed line and all proposed structures that will support it;*
  - *2. The proposed right-of-way limits;*
  - *3. Existing property lines and the names of persons who own the property over which the line will cross; and*
  - *4. The distance of the proposed line from residential neighborhoods, schools, and public and private parks within one (1) mile of the proposed facilities;*
- *(c) A full description of the proposed line and appurtenances, including the following:*
  - *1. Initial and design voltages and capacities;*
  - *2. Itemized estimated costs;*
  - *3. Conductor sizes and specifications;*
  - *4. Overhead tower design, appearance, and heights, if any;*
  - *5. Length of line;*
  - *6. Terminal points; and*
  - *7. Substation connections;*
- *(d) A statement that the proposed transmission line and appurtenances will be constructed and maintained in accordance with accepted engineering practices and the National Electric Safety Code;*
- *(e) Evidence that public notice has been given by publication in a newspaper of generation circulation in the general area concerned. Public notice shall include the location of the proposed line, shall state that the proposed line is subject to approval by the board, and shall provide the telephone number and address of the Public Service Commission;*
- *(f) A complete report of the applicant's attempts to communicate to or obtain public involvement in the locating of the transmission line conducted prior to the filing of an application with the board. Attempts to communicate or obtain public involvement shall include any use of media coverage, direct mailings, fliers, newsletters, public meetings, establishment of a community advisory group, and any other efforts to obtain local involvement in the siting process;*
- *(g) Proof of service of a copy of the application upon the chief executive officer of each county and municipal*

corporation in which the proposed line is to be located, and upon the chief officer of each public agency charged with the duty of planning land use in the general area in which the line is proposed to be located;

(h) An analysis of the environmental impact of the proposed nonregulated transmission line; and

(i) An application fee in an amount to be specified by administrative regulation promulgated by the board. Fees shall be deposited in a trust and agency account to the credit of the Public Service Commission. Supplemental application fees may be assessed as prescribed in subsection (2)(n) of Section 4 of this Act.

(2) Within one hundred twenty (120) days of receipt of the application, the board shall, by majority vote, approve or disapprove the application either in whole or in part. Action to approve or disapprove an application shall be based on the board's determination that the proposed route of the line will minimize adverse impact on the scenic and environmental assets of Kentucky and that the applicant will construct and maintain the line according to all applicable legal requirements. If the board determines that locating the transmission line will result in degradation of environmental and scenic factors, the board shall deny the application or condition the application's approval upon relocation of the route of the line.

(3) A public hearing on an application to construct a nonregulated electric transmission line may be held in accordance with the provisions of Section 6 of this Act.

SECTION 9. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No utility shall begin the construction or installation of any property, equipment, or facility to establish an electrical interconnection with a plant to be used for the generation of electricity in excess of ten megawatts (10MW) until the plans and specification for the electrical interconnection have been filed with and approved by the commission.

(2) If an electrical interconnection with a plant, to be used for the generation of electricity in excess of ten megawatts (10MW) can be established without the utility's construction of any property, equipment, or facility, the utility making the interconnection shall file with the commission a copy of the agreement with the engineering studies demonstrating that no property, equipment, or facility needs to be constructed to establish the interconnection pursuant to the agreement. The utility shall file an interconnection agreement within thirty (30) days of execution.

SECTION 10. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

When a utility engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptable service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

SECTION 11. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a trust and agency account in the State Treasury called the "siting fund."

(2) All fees received by the board for the purpose of administering Sections 1 to 8 of this Act, shall be deposited into the siting fund account. The fund shall not lapse and all expenditures from the fund shall be used for the purpose of implementing Sections 1 to 8 of this Act.

SECTION 12. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person shall acquire or transfer ownership of or control, or the right to control, any assets that are owned by a utility as defined under subsection (3)(a) of Section 14 of this Act without prior approval of the commission, if the assets have an original book value of fifty thousand dollars ($50,000) or more and:

(a) The assets are to be transferred by the utility for reasons other than obsolescence; or

(b) The assets will continue to be used to provide the same or similar service to the utility or its customers.

(2) The commission shall grant its approval if the transaction is for a proper purpose and is consistent with the public interest.

SECTION 13. A NEW SECTION OF SUBCHAPTER 10 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) Any person proposing to construct an electric generating facility shall file an application with the cabinet to obtain an environmental compatibility report. The environmental compatibility report shall evaluate the effect of the proposed construction on air, waste, and water in the area where the plant is to be located. Information used in compiling the report shall include but not limited to the following:

(a) A description of the project;

(b) A review of comments on the effects of air pollutants from the proposed facility on public health and welfare; the effects of the proposed facility on the waters of the Commonwealth; the treatment, handling, and disposal of solid waste from the proposed facility; noise pollution if any; and other adverse environmental effects that cannot be avoided; and

(c) A review of permit applications for air, water, and waste.

(2) Sixty (60) days after receipt of a completed application, the cabinet shall submit an environmental compatibility report, along with documentation upon which the report was based, to the applicant. For the purposes of this section, an application for an environmental compatibility report is deemed to be complete when the applicant has received notice from the cabinet or from any other federal or local authority that requires that a permit be issued before an electric generating facility can be constructed.

(3) The cabinet shall impose a fee to be set by administrative regulation to defray the cost of producing, duplicating and processing the application for the environmental compatibility report.

Section 14. KRS 278.010 is amended to read as follows:

As used in KRS 278.010 to 278.450, *Sections 9, 10, and 12 of this Act,* and in KRS 278.990, unless the context otherwise requires:

(1) "Corporation" includes private, quasipublic, and public corporations, and all boards, agencies, and instrumentalities thereof, associations, joint-stock companies, and business trusts;

(2) "Person" includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest;

(3) "Utility" means any person except, for purposes of paragraphs (a), (b), (c), (d), and (f) of this subsection, a city, who owns, controls, operates, or manages any facility used or to be used for or in connection with:

(a) The generation, production, transmission, or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses;

(b) The production, manufacture, storage, distribution, sale, or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power, or other uses;

(c) The transporting or conveying of gas, crude oil, or other fluid substance by pipeline to or for the public, for compensation;

(d) The diverting, developing, pumping, impounding, distributing, or furnishing of water to or for the public, for compensation;

(e) The transmission or conveyance over wire, in air, or otherwise, of any message by telephone or telegraph for the public, for compensation; or

(f) The collection, transmission, or treatment of sewage for the public, for compensation, if the facility is a subdivision collection, transmission, or treatment facility plant that is affixed to real property and is located in a county containing a city of the first class or is a sewage collection, transmission, or treatment facility that is affixed to real property, that is located in any other county, and that is not subject to regulation by a metropolitan sewer district or any sanitation district created pursuant to KRS Chapter 220;

(4) "Retail electric supplier" means any person, firm, corporation, association, or cooperative corporation, excluding municipal corporations, engaged in the furnishing of retail electric service;

(5) "Certified territory" shall mean the areas as certified by and pursuant to KRS 278.017;

(6) "Existing distribution line" shall mean an electric line which on June 16, 1972, is being or has been substantially used to supply retail electric service and includes all lines from the distribution substation to the electric consuming facility but does not include any transmission facilities used primarily to transfer energy in bulk;

(7) "Retail electric service" means electric service furnished to a consumer for ultimate consumption, but does not include wholesale electric energy furnished by an electric supplier to another electric supplier for resale;

(8) "Electric-consuming facilities" means everything that utilizes electric energy from a central station source;

(9) "Generation and transmission cooperative," or "G&T," means a utility formed under KRS Chapter 279 that provides electric generation and transmission services;

(10) "Distribution cooperative" means a utility formed under KRS Chapter 279 that provides retail electric service;

(11) "Facility" includes all property, means, and instrumentalities owned, operated, leased, licensed, used, furnished, or supplied for, by, or in connection with the business of any utility;

(12) "Rate" means any individual or joint fare, toll, charge, rental, or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof;

(13) "Service" includes any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure, and quantity of water, and in general the quality, quantity, and pressure of any commodity or product used or to be used for or in connection with the business of any utility;

(14) "Adequate service" means having sufficient capacity to meet the maximum estimated requirements of the customer to be served during the year following the commencement of permanent service and to meet the maximum estimated requirements of other actual customers to be supplied from the same lines or facilities during such year and to assure such customers of reasonable continuity of service;

(15) "Commission" means the Public Service Commission of Kentucky;

(16) "Commissioner" means one (1) of the members of the commission;

(17) "Demand-side management" means any conservation, load management, or other utility activity intended to influence the level or pattern of customer usage or demand, including home energy assistance programs;

(18) "Affiliate" means a person that controls or that is controlled by, or is under common control with, a utility;

(19) "Control" means the power to direct the management or policies of a person through ownership, by contract, or otherwise;

(20) "CAM" means a cost allocation manual which is an indexed compilation and documentation of a company's cost allocation policies and related procedures;

(21) "Nonregulated activity" means the provision of competitive retail gas or electric services or other products or services over which the commission exerts no regulatory authority;

(22) "Nonregulated" means that which is not subject to regulation by the commission;

(23) "Regulated activity" means a service provided by a utility, the rates and charges of which are regulated by the commission;

(24) "USoA" means uniform system of accounts which is a system of accounts for public utilities established by the FERC and adopted by the commission;

(25) "Arm's length" means the standard of conduct under which unrelated parties, each party acting in its own best interest, would negotiate and carry out a particular transaction;

(26) "Subsidize" means the recovery of costs or the transfer of value from one (1) class of customer, activity, or business unit that is attributable to another;

(27) "Solicit" means to engage in or offer for sale a good or service, either directly or indirectly and irrespective of place or audience;

(28) "USDA" means the United States Department of Agriculture;

(29) "FERC" means the Federal Energy Regulatory Commission; and

(30) "SEC" means the Securities and Exchange Commission.

The Committee Substitute to **HB 540** is as follows:

HB 540, AN ACT relating to state and local planning for power suppliers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 8, 11, and 13 of this Act, unless the context requires otherwise:

(1) "Board" means the Kentucky State Board on Electric Generation and Transmission Siting and the Environment;

(2) "Merchant plant" means an electricity generating plant, together with associated facilities, that:

(a) Is capable of operating at a capacity of ten megawatts (10MW) or more; and

(b) Sells the electricity it produces at wholesale, at rates and charges not regulated by the Public Service Commission;

(3) "Person" means any individual, corporation, public corporation, political subdivision, governmental agency, municipality, partnership, cooperative-operative association, trust, estate, or any other entity;

(4) "Commence to construct" means breaking ground for the purpose of constructing any facility for which board approval is required, but does not include surveying changes needed for temporary use of a site or route, or uses in securing geological data, including borings, to ascertain foundation conditions;

(5) "Nonregulated electric transmission line" means an electric transmission line and related appurtenances for which no certificate of public convenience and necessity is required; which is not operated as an activity regulated by the Public Service Commission; and which is capable of operating at or above sixty-nine thousand (69,000) volts; and

(6) "Residential neighborhood" means a populated area of five (5) or more acres containing at least one (1) occupied residential structure per acre.

SECTION 2. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established the Kentucky State Board on Electric Generation and Transmission Siting and the Environment. The board shall be composed of seven (7) members as follows:

(a) The three (3) members of the Kentucky Public Service Commission;

(b) The secretary of the Natural Resources and Environmental Protection Cabinet;

(c) The secretary of the Cabinet for Economic Development; and

(d) 1. If the facility subject to board approval is proposed to be located in one (1) county, two (2) ad hoc public members to be appointed by the Governor from a county where a facility subject to board approval is

proposed to be located:

a. One (1) of the ad hoc public members shall be the chairman of the planning commission with jurisdiction over an area in which a facility subject to board approval is proposed to be located. If the proposed location is not within a jurisdiction with a planning commission, then the Governor shall appoint either the county judge/executive of a county that contains the proposed location of the facility or the mayor of a city, if the facility is proposed to be within a city; and

b. One (1) of the ad hoc public members shall be appointed by the Governor and shall be a resident of the county in which the facility is proposed to be located.

2. If the facility subject to board approval is proposed to be located in more than one (1) county, two (2) ad hoc public members to be chosen as follows:

a. One (1) ad hoc public member shall be the county judge/executive of a county in which the facility is proposed to be located, to be chosen by majority vote of the county judge/executives of the counties in which the facility is proposed to be located;

b. One (1) ad hoc public member shall be a resident of a county in which the facility is proposed to be located, and shall be appointed by the Governor; and

c. If a member has not been chosen by majority vote, as provided in subdivision a. of this subparagraph, by thirty (30) days after the filing of the application, the Governor shall directly appoint the member.

(e) Ad hoc public members appointed to the board shall have no direct financial interest in the facility proposed to be constructed.

(2) The term of service for the ad hoc members of the board shall continue until the board issues a final determination in the proceeding for which they were appointed. The remaining members of the board shall be permanent members.

(3) The board shall be attached to the Public Service Commission for administrative purposes. The commission staff shall serve as permanent administrative staff for the board. The board may enter into personal service contracts, may promulgate administrative regulations to implement Sections 1, 2, 3, 4, 5, 6, 7, and 8 of this Act, and may call upon the staff of the Natural Resources and Environmental Protection Cabinet and the Cabinet for Economic Development for assistance, as necessary.

(4) The chairman of the Public Service Commission shall be the chairman of the board and shall serve as its chief executive officer. The chairman shall designate one (1) of the members of the board as vice chairman, who shall possess all the powers of the chairman in the absence or disability of the chairman. The executive director of a statewide board or agency charged with the review of the impact of electric generating facilities and transmission on the Commonwealth shall serve as the executive secretary and chief administrative officer for the board. The Public Service Commission shall be responsible for maintaining the official records of the board's proceedings, including all approved orders.

(5) A majority of the members of the board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the board. No vacancy on the board shall impair the right of the remaining members to exercise all of the powers of the board.

(6) Each member shall have one (1) vote and a majority vote of the members present shall control on all questions.

(7) Every order or finding issued by the board shall be in writing and shall be entered on the records of the board. A certificate of the board that any order or finding has not been modified, stayed, suspended, or revoked shall be received as evidence in any proceeding as to the facts stated therein.

(8) The board shall convene upon the call of the chairman. The chairman shall convene a meeting of the board upon receipt of a complete application provided under Section 4, 7, or 8 of this Act for the purpose of taking action on the application.

(9) No member of the board shall receive any salary or fee for service on the board, but each member shall be reimbursed for actual travel and expenses related directly to service on the board.

SECTION 3. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person, including a person who has applied for an air quality or other necessary permit prior to the effective date of this Act, shall commence to construct a merchant plant until the person has applied for and obtained approval for the plant from the board.

(2) Replacement of an existing generating facility with a like facility shall not, for the purposes of Sections 3, 4, 5, and 6 of this Act, constitute construction of a merchant plant.

(3) Except for a proposed site where electric generating facilities capable of generating ten megawatts (10MW) or more currently exist, and except for a facility locating on a riverport which shall be subject to the setback requirements in subsection (5) of this section, no electric generating facility proposed to be constructed, pursuant to Sections 3, 4, 5, 6, and 7 of this Act, shall be constructed unless the proposed exhaust stack is:

(a) At least five hundred (500) feet from any occupied residential structure; and

(b) At least three thousand (3,000) feet from any residential neighborhood, historic structure eligible for inclusion in the National Register of Historic Places, school, hospital, or nursing home facility.

(4) The board may, for good cause shown, grant a deviation from the requirements of subsections (3) and (5) of this section.

(5) Notwithstanding subsection (3) of this section, no electric facility proposed to be constructed pursuant to this section and Sections 4, 5, 6, and 7 of this Act on a site located on a riverport shall be constructed unless the exhaust stack of the proposed facility is at least five hundred (500) feet from any occupied residential structure, residential neighborhood, historic structure eligible for inclusion in the National Register of Historic Places, school, hospital, or nursing home facility.

SECTION 4. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) Any person seeking to obtain board approval to construct a merchant power plant shall file an application at the offices of the Public Service Commission. At the time of filing the application, a copy of the application shall be sent to each of the permanent members of the board.

(2) A completed application shall include the following:

(a) The name, address, and telephone number of the person proposing to construct and own the merchant power plant;

(b) A full description of the proposed site, including a map showing the distance of the proposed site from residential neighborhoods, the nearest residential structure, schools, and public and private parks that are located within a two (2) mile radius of the proposed plant;

(c) Evidence of public notice that shall include the location of the proposed site, state that the proposed construction is subject to approval by the board, and provide the telephone number and address of the Public Service Commission. Public notice shall be given within thirty (30) days immediately preceding the application filing to:

1. Landowners whose property borders the proposed site; and

2. The general public in a newspaper of general circulation in the county or municipality in which the plant is proposed to be located;

(d) A statement certifying that the proposed plant will be in compliance with all local ordinances and regulations concerning noise control and with any applicable local planning and zoning ordinances;

(e) Except for facilities proposed to be located on a riverport as provided under subsection (5) of Section 3 of this Act, a statement that the proposed exhaust stack is at least five hundred (500) feet from any occupied residential structure and three thousand (3,000) feet from any residential neighborhood, historic structure eligible for inclusion in the National Register of Historic Places, school, hospital, or nursing home facility, unless:

1. Facilities capable of generating ten megawatts (10MW) or more currently exist on the site; or

2. The applicant owned the proposed site on the effective date of this Act, and the requirement of this subsection and subsection (3) of Section 3 of this Act were met on that date; or

3. The board finds, for good cause shown, that the applicant should be granted a deviation from this paragraph.

(f) A report on the environmental compatibility of the proposed facility, issued by the Natural Resources and Environmental Protection Cabinet or any local air pollution control district exercising concurrent jurisdiction with the cabinet. The report shall be submitted along with the applicant's statement of environmental compatibility upon which the report is based. The applicant shall have submitted its statement of environmental compatibility to the local air pollution control district or to the Natural Resources and Environmental Protection Cabinet at least ninety (90) days prior to its application to the board, together with a fee for evaluation as set pursuant to KRS 224.10-100(20), and such information as the Natural Resources and Environmental Protection Cabinet or local air pollution control district considers necessary in making its report to the board, including but not limited to the following:

1. A complete description of the proposed project; and

2. Analysis of the individual and cumulative effects of the siting and operating of the proposed facility and associated facilities on public health and the environment, including analysis of the impacts on air, land, and water resources;

(g) The applicant may file documentation of compliance with the National Environmental Policy Act (NEPA) rather than the statement of environmental compatibility prescribed by subsection (f) of this section. However, the Natural Resources and Environmental Protection Cabinet or the local air pollution control district may request additional information it deems necessary to complete its environmental report;

(h) A complete report of the applicant's public involvement program activities undertaken prior to the filing of the application, including any use of media coverage, direct mailing, fliers, newsletters, public meetings, establishment of a community advisory group, and any other efforts to obtain local involvement in the siting

process;

(i) A summary of the efforts made by the applicant to locate the proposed facility on a site where existing electric generating facilities are located;

(j) Proof of service of a copy of the application upon the chief executive officer of each county and municipal corporation in which the proposed facility is to be located, and upon the chief officer of each public agency charged with the duty of planning land use in the jurisdiction in which the facility is proposed to be located;

(k) An analysis of the proposed facility's projected effect on the electricity transmission system in Kentucky;

(l) An analysis of the proposed facility's economic impact on the affected region and the state;

(m) A detailed listing of all violations by it, or by any person with an ownership interest in the applicant, of federal or state environmental laws, rules, or administrative regulations, whether judicial or administrative, where violations have resulted in criminal convictions or civil or administrative fines exceeding one thousand dollars ($1,000). The status of any pending environmental action, whether judicial or administrative, shall also be submitted;

(n) A nonrefundable application fee in an amount to be specified by administrative regulation promulgated by the board, to defray the expenses of the application process including expenses incurred by the board, the Public Service Commission, and other state agencies and any legal expenses associated with any action to review the board's decision; and

(o) If the facility is proposed to be located on a riverport as provided under subsection (5) of Section 3 of this Act, a statement that the exhaust stack of the proposed facility is at least five hundred (500) feet from any occupied residential structure, residential neighborhood, historic structure eligible for inclusion in the National Register of Historic Places, school, hospital, or nursing home facility unless the board finds, for good cause shown, that the applicant should be granted a deviation from this paragraph.

(3) All application fees provided under subsection (2)(n) of this section, shall be deposited in a trust and agency account to the credit of the Public Service Commission. If a majority of the members of the board find that the applicant's initial fees are not sufficient to pay expenses associated with review of the application and the board's decision, the board shall assess a supplemental application fee to cover anticipated additional expenses associated with the review of the application. An applicant's failure to pay a fee assessed pursuant to this subsection shall be grounds for denial of the application.

SECTION 5. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) Within one hundred twenty (120) days of receipt of an application that complies with Section 4 or 7 of this Act, or within ninety (90) days of receipt of the application, if no hearing is requested, the board shall, by majority vote, approve, or disapprove the application, either in whole or in part, based on the evidence of record. Approval or disapproval shall be based upon the following criteria:

(a) The environmental impact of the proposed facility;

(b) The economic impact of the facility upon the affected region and the state;

(c) Whether the facility is proposed for a site upon which existing generating facilities, capable of generating ten megawatts (10MW) or more of electricity, are currently located; and if the facility is not proposed for such a site, whether it is feasible to locate the facility upon such a site;

(d) Whether the applicant intends to comply with all applicable federal, state, and local laws pertaining to air pollution, water pollution, and solid and hazardous waste disposal and any applicable administrative regulations promulgated thereunder;

(e) Whether the direct and cumulative effects of the siting and operation of the proposed facility and associated structures have been reasonably mitigated to avoid adverse effects on the health and welfare of the public and the environment. Approval of a proposed site by the board may be conditioned on incorporation into approvals and permits, appropriate and enforceable conditions, limitations, or other requirements to assure that effects will be reasonably mitigated or offset in order to avoid such adverse effects. The requirements imposed under this subsection may include but are not limited to setbacks, additional technological controls, and monitoring;

(f) Whether the proposed plant will, notwithstanding KRS 100.324, meet all local planning and zoning requirements that existed on the date the application was filed;

(g) Whether the additional load imposed upon the electricity transmission system by use of the merchant plant will adversely affect the reliability of service for Kentucky retail customers;

(h) Whether the applicant has met all requirements for electricity transmission interconnection under Kentucky law and the open access transmission tariff of the host transmission owner or regional transmission operator;

(i) Whether the applicant has made good faith efforts to communicate and cooperate with the public during the siting process; and

(j) Whether the applicant has a good environmental compliance history.

(2) When considering an application for approval of a merchant plant, the board may consider the policy of the General

Assembly to encourage the use of coal as a principal fuel for electricity generation as set forth in KRS 152.210.

(3) A person that has received board authorization to construct a merchant plant shall not transfer rights and obligations pursuant to the terms of the authorization without having first applied for and received a board determination that:

- *(a) The acquirer has a good environmental compliance history; and*
- *(b) The acquirer has the technical and financial capacity to meet the obligations imposed by the terms of the approval.*

(4) An application to transfer board authorization to construct a merchant plant provided under subsection (3) of this section, shall be filed at the offices of the Public Service Commission, with a copy to each permanent member of the board and to the ad hoc members of the board who participated in the initial review of the proposed plant. The application shall be accompanied by a filing fee sufficient to pay expenses associated with review of the application in an amount to be specified by administrative regulation promulgated by the board, which may be supplemented, if necessary, as prescribed in subsection (2)(n) of Section 4 of this Act. Fees shall be deposited into a trust and agency account to the credit of the Public Service Commission.

SECTION 6. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) The board may convene a public evidentiary hearing pursuant to consider an application filed under Section 4, 7, or 8 of this Act. If the board convenes an evidentiary hearing, the hearing shall be held not more than sixty (60) days after receipt of a complete application. In addition, the board may convene one or more public meetings in the county or counties for which the facility is proposed to be constructed.

(2) In any hearing on an application to construct an electric generating facility filed pursuant to Section 4 or 7 of this Act or nonregulated transmission line, filed pursuant to Section 8 of this Act, the board shall not be bound by the technical rules of legal evidence. Prior to the hearing, the applicant shall furnish evidence to the board that it has caused public notice of the board hearing on the application. The notice shall be published in a newspaper of general circulation in the county or the counties within which the construction is proposed. The notice shall be published not less than seven (7) days nor more than twenty-one (21) days before the hearing date. The notice shall state the date, time, place, and purpose of the board hearing. Notice shall also state that public comments on the proposed construction shall be received at the board hearing on the application.

(3) Any hearing that the board has power to hold may be undertaken or held, and the evidence taken therein, by any one (1) or more members or a hearing examiner designated for that purpose by the board, and every finding, opinion, or order made by the board or members or hearing examiner so designated shall, when approved or confirmed by the board, become the finding, opinion, or order of the board.

(4) Any interested person, including a person residing in a municipal corporation or county in which the facility is proposed to be constructed may, upon motion to the board, be granted leave to intervene as a party to a proceeding held pursuant to this section. Intervention requests shall be filed with the board not more than thirty (30) days after the facility, subject to board approval, has given public notice pursuant to subsection (2)(b) of Section 4 of this Act.

(5) Any party to a proceeding held pursuant to Sections 4, 5, 7, and 8 of this Act may, within thirty (30) days after service of the board's final ruling, bring an action against the board in Franklin Circuit Court to vacate or set aside the ruling on grounds that the ruling is unlawful or unreasonable. Any party instituting an action for review of the board's ruling in Franklin Circuit Court shall give notice to all parties of record in the board's proceeding.

SECTION 7. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person, partnership, public or private corporation, or combination thereof shall begin the construction of any facility to be used for the generation of electricity to or for the public for compensation without having first obtained board approval for the siting of the facility.

(2) Notwithstanding any other provision of law, a utility as defined in KRS 278.010(3)(a) shall not be prevented from purchasing real property or property options in connection with the facility identified in its application, but the public utility shall not be permitted to recover from its ratepayers any expenditures related to the purchases unless the Public Service Commission approves its application for a certificate of public convenience and necessity pursuant to KRS 278.020.

(3) An application to the board by an electric utility for approval to construct a facility as described in subsection (1) of this section, shall include the following:

- *(a) The name, address, and telephone number of the person proposing the construction;*
- *(b) All information and documents required by subsection (2)(b) to (m) and (o) of Section 4 of this Act; and*
- *(c) A copy of the certificate for the facility granted by the Public Service Commission pursuant to KRS 278.020 or a copy of the application for a certificate submitted to the Public Service Commission pursuant to KRS 278.020(1). The applicant shall not be required to have received a certificate of public convenience and necessity prior to applying under this section.*

(4) The board shall not deny an application filed pursuant to, and in compliance with, this section. However, the board may require reasonable mitigation of significant adverse environmental impacts that would be caused by operation of the facility, but the board shall in no event order relocation of the facility.

SECTION 8. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person shall commence to construct a nonregulated electric transmission line without prior approval of the board. An application for board approval of a nonregulated transmission line shall be filed at the offices of the Public Service Commission, with a copy to each permanent member of the board. A completed application shall include the following:

(a) The name, address, and telephone number of the person proposing construction of the nonregulated transmission line;

(b) A full description of the proposed route of the transmission line and its appurtenances. The description shall include a map or maps showing:

1. The location of the proposed line and all proposed structures that will support it;

2. The proposed right-of-way limits;

3. Existing property lines and the names of persons who own the property over which the line will cross; and

4. The distance of the proposed line from residential neighborhoods, schools, and public and private parks within one (1) mile of the proposed facilities;

(c) A full description of the proposed line and appurtenances, including the following:

1. Initial and design voltages and capacities;

2. Itemized estimated costs;

3. Conductor sizes and specifications;

4. Overhead tower design, appearance, and heights, if any;

5. Length of line;

6. Terminal points; and

7. Substation connections;

(d) A statement that the proposed transmission line and appurtenances will be constructed and maintained in accordance with accepted engineering practices and the National Electric Safety Code;

(e) Evidence that public notice has been given by publication in a newspaper of generation circulation in the general area concerned. Public notice shall include the location of the proposed line, shall state that the proposed line is subject to approval by the board, and shall provide the telephone number and address of the Public Service Commission;

(f) A complete report of the applicant's attempts to communicate to or obtain public involvement in the locating of the transmission line conducted prior to the filing of an application with the board. Attempts to communicate or obtain public involvement shall include any use of media coverage, direct mailings, fliers, newsletters, public meetings, establishment of a community advisory group, and any other efforts to obtain local involvement in the siting process;

(g) Proof of service of a copy of the application upon the chief executive officer of each county and municipal corporation in which the proposed line is to be located, and upon the chief officer of each public agency charged with the duty of planning land use in the general area in which the line is proposed to be located;

(h) An analysis of the environmental impact of the proposed nonregulated transmission line; and

(i) An application fee in an amount to be specified by administrative regulation promulgated by the board. Fees shall be deposited in a trust and agency account to the credit of the Public Service Commission. Supplemental application fees may be assessed as prescribed in subsection (2)(n) of Section 4 of this Act.

(2) Within one hundred twenty (120) days of receipt of the application, the board shall, by majority vote, approve or disapprove the application either in whole or in part. Action to approve or disapprove an application shall be based on the board's determination that the proposed route of the line will minimize adverse impact on the scenic and environmental assets of Kentucky and that the applicant will construct and maintain the line according to all applicable legal requirements. If the board determines that locating the transmission line will result in degradation of environmental and scenic factors, the board shall deny the application or condition the application's approval upon relocation of the route of the line.

(3) A public hearing on an application to construct a nonregulated electric transmission line may be held in accordance with the provisions of Section 6 of this Act.

SECTION 9. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No utility shall begin the construction or installation of any property, equipment, or facility to establish an electrical interconnection with a plant to be used for the generation of electricity in excess of ten megawatts (10MW) until the plans and specification for the electrical interconnection have been filed with and approved by the commission.

(2) If an electrical interconnection with a plant, to be used for the generation of electricity in excess of ten megawatts

(10MW) can be established without the utility's construction of any property, equipment, or facility, the utility making the interconnection shall file with the commission a copy of the agreement with the engineering studies demonstrating that no property, equipment, or facility needs to be constructed to establish the interconnection pursuant to the agreement. The utility shall file an interconnection agreement within thirty (30) days of execution.

SECTION 10. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

When a utility engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptable service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

SECTION 11. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a trust and agency account in the State Treasury called the "siting fund."

(2) All fees received by the board for the purpose of administering Sections 1 to 8 of this Act, shall be deposited into the siting fund account. The fund shall not lapse and all expenditures from the fund shall be used for the purpose of implementing Sections 1 to 8 of this Act.

SECTION 12. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

(1) No person shall acquire or transfer ownership of or control, or the right to control, any assets that are owned by a utility as defined under subsection (3)(a) of Section 14 of this Act without prior approval of the commission, if the assets have an original book value of fifty thousand dollars ($50,000) or more and:

  (a) The assets are to be transferred by the utility for reasons other than obsolescence; or

  (b) The assets will continue to be used to provide the same or similar service to the utility or its customers.

(2) The commission shall grant its approval if the transaction is for a proper purpose and is consistent with the public interest.

SECTION 13. A NEW SECTION OF SUBCHAPTER 10 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) Any person proposing to construct an electric generating facility shall file an application with the cabinet to obtain an environmental compatibility report. The environmental compatibility report shall evaluate the effect of the proposed construction on air, waste, and water in the area where the plant is to be located. Information used in compiling the report shall include but not be limited to the following:

  (a) A description of the project;

  (b) A review of comments on the effects of air pollutants from the proposed facility on public health and welfare; the effects of the proposed facility on the waters of the Commonwealth; the treatment, handling, and disposal of solid waste from the proposed facility; noise pollution if any; and other adverse environmental effects that cannot be avoided; and

  (c) A review of permit applications for air, water, and waste.

(2) Sixty (60) days after receipt of a completed application, the cabinet shall submit an environmental compatibility report, along with documentation upon which the report was based, and any recommendations for mitigating any adverse environmental effects, to the applicant.

(3) The cabinet shall impose a fee to be set by administrative regulation to defray the cost of producing, duplicating and processing the application for the environmental compatibility report.

Section 14. KRS 278.010 is amended to read as follows:

As used in KRS 278.010 to 278.450, ***Sections 9, 10, and 12 of this Act,*** and in KRS 278.990, unless the context otherwise requires:

(1) "Corporation" includes private, quasipublic, and public corporations, and all boards, agencies, and instrumentalities thereof, associations, joint-stock companies, and business trusts;

(2) "Person" includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest;

(3) "Utility" means any person except, for purposes of paragraphs (a), (b), (c), (d), and (f) of this subsection, a city, who owns, controls, operates, or manages any facility used or to be used for or in connection with:

  (a) The generation, production, transmission, or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses;

  (b) The production, manufacture, storage, distribution, sale, or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power, or other uses;

  (c) The transporting or conveying of gas, crude oil, or other fluid substance by pipeline to or for the public, for compensation;

(d) The diverting, developing, pumping, impounding, distributing, or furnishing of water to or for the public, for compensation;

(e) The transmission or conveyance over wire, in air, or otherwise, of any message by telephone or telegraph for the public, for compensation; or

(f) The collection, transmission, or treatment of sewage for the public, for compensation, if the facility is a subdivision collection, transmission, or treatment facility plant that is affixed to real property and is located in a county containing a city of the first class or is a sewage collection, transmission, or treatment facility that is affixed to real property, that is located in any other county, and that is not subject to regulation by a metropolitan sewer district or any sanitation district created pursuant to KRS Chapter 220;

(4) "Retail electric supplier" means any person, firm, corporation, association, or cooperative corporation, excluding municipal corporations, engaged in the furnishing of retail electric service;

(5) "Certified territory" shall mean the areas as certified by and pursuant to KRS 278.017;

(6) "Existing distribution line" shall mean an electric line which on June 16, 1972, is being or has been substantially used to supply retail electric service and includes all lines from the distribution substation to the electric consuming facility but does not include any transmission facilities used primarily to transfer energy in bulk;

(7) "Retail electric service" means electric service furnished to a consumer for ultimate consumption, but does not include wholesale electric energy furnished by an electric supplier to another electric supplier for resale;

(8) "Electric-consuming facilities" means everything that utilizes electric energy from a central station source;

(9) "Generation and transmission cooperative," or "G&T," means a utility formed under KRS Chapter 279 that provides electric generation and transmission services;

(10) "Distribution cooperative" means a utility formed under KRS Chapter 279 that provides retail electric service;

(11) "Facility" includes all property, means, and instrumentalities owned, operated, leased, licensed, used, furnished, or supplied for, by, or in connection with the business of any utility;

(12) "Rate" means any individual or joint fare, toll, charge, rental, or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof;

(13) "Service" includes any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure, and quantity of water, and in general the quality, quantity, and pressure of any commodity or product used or to be used for or in connection with the business of any utility;

(14) "Adequate service" means having sufficient capacity to meet the maximum estimated requirements of the customer to be served during the year following the commencement of permanent service and to meet the maximum estimated requirements of other actual customers to be supplied from the same lines or facilities during such year and to assure such customers of reasonable continuity of service;

(15) "Commission" means the Public Service Commission of Kentucky;

(16) "Commissioner" means one (1) of the members of the commission;

(17) "Demand-side management" means any conservation, load management, or other utility activity intended to influence the level or pattern of customer usage or demand, including home energy assistance programs;

(18) "Affiliate" means a person that controls or that is controlled by, or is under common control with, a utility;

(19) "Control" means the power to direct the management or policies of a person through ownership, by contract, or otherwise;

(20) "CAM" means a cost allocation manual which is an indexed compilation and documentation of a company's cost allocation policies and related procedures;

(21) "Nonregulated activity" means the provision of competitive retail gas or electric services or other products or services over which the commission exerts no regulatory authority;

(22) "Nonregulated" means that which is not subject to regulation by the commission;

(23) "Regulated activity" means a service provided by a utility, the rates and charges of which are regulated by the commission;

(24) "USoA" means uniform system of accounts which is a system of accounts for public utilities established by the FERC and adopted by the commission;

(25) "Arm's length" means the standard of conduct under which unrelated parties, each party acting in its own best interest, would negotiate and carry out a particular transaction;

(26) "Subsidize" means the recovery of costs or the transfer of value from one (1) class of customer, activity, or business unit that is attributable to another;

(27) "Solicit" means to engage in or offer for sale a good or service, either directly or indirectly and irrespective of place or audience;

(28) "USDA" means the United States Department of Agriculture;

(29) "FERC" means the Federal Energy Regulatory Commission; and

(30) "SEC" means the Securities and Exchange Commission.

Section 15. The following KRS section is repealed:

278.025 Certificate of environmental compatibility -- Requirements.

The Committee on Economic Development reported **HB 542** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 542, AN ACT relating to economic development through the promotion of the value-added hardwood products industry.

WHEREAS, despite previous legislation supporting the secondary wood products industry, a lack of program funding combined with increased foreign competition and the need for emerging technology have placed the value-added hardwood products industry at a competitive disadvantage compared to other industries in Kentucky and the value-added hardwood products industry outside of Kentucky; and

WHEREAS, although the survival and success of the value-added hardwood products industry in Kentucky is dependent upon companies acquiring the emerging industry-related technology that is available to out-of-state companies in part due to assistance from those states, Kentucky has not addressed the technology divide that exists for this industry within the Commonwealth; and

WHEREAS, because value-added hardwood products companies that gain access to and utilize emerging technology produce maximum value-added products, achieve increased environmental awareness, and provide high-paying jobs requiring a skilled and educated workforce, it is in the interest of the Commonwealth to assist in advancing the technology base of Kentucky's value-added hardwood products industry;

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act:

(1) "Authority" means the Kentucky Economic Development Finance Authority as created in KRS 154.20-010;

(2) "Corporation" means the Kentucky Wood Products Competitiveness Corporation as created in KRS Chapter 154.47-015;

(3) "Cost" mean expenditures made in a tax year beginning on or after January 1, 2002:

- *(a) In the case of technology-based or environmentally conscious equipment, all expenses associated with the purchase, improvement, installation, or support infrastructure of this equipment;*
- *(b) In the case of facilities, all expenses associated with site development, construction, expansion, improvement, renovation, or purchase of facilities for housing or utilizing technology-based or environmentally conscious equipment; and*
- *(c) In the case of training, all expenses associated with educating employees to operate or manage technology-based or environmentally conscious equipment, but shall not include wages or salaries of the employees being trained, and the total costs for training shall not exceed ten thousand dollars ($10,000) per employee;*

(4) "Credit year" means the tax year in which costs are incurred;

(5) "Environmentally conscious equipment" means equipment located in the Commonwealth that is utilized for the manufacturing of value-added hardwood products and improves environmental conditions, meeting the conditions set by the corporation;

(6) "Facilities" means buildings or structures located in the Commonwealth for housing or utilizing technology-based or environmentally conscious equipment, meeting the conditions set by the corporation;

(7) "Purchase" means a transaction under which title to an item is transferred for consideration or a lease contract for a period of at least three (3) years regardless of whether title to the item is transferred at the end of such a period;

(8) "Value-added hardwood products industry" means businesses that compose that segment of the forest products industry that use Kentucky harvested or manufactured hardwoods to manufacture, assemble, process, or produce wood into a finished product. The value-added hardwood products industry does not include the secondary wood products industry as defined in KRS Chapter 154.47-005(10) or primary wood products operations such as logging, sawmilling, chip milling, veneer milling, or pulp milling. Businesses that include both primary or secondary wood products operations and value-added hardwood products operations are deemed to be within the value-added hardwood products industry only in regard to their value-added hardwood products operations;

(9) "Technology-based equipment" means automated equipment that is utilized for the manufacturing of value-added hardwood products and purchased to improve user productivity, meeting the conditions set by the corporation; and

(10) "Training" means employer-paid training within Kentucky that is necessary to prepare Kentucky based employees to operate or manage technology based or environmentally conscious equipment within the value-added hardwood products industry, meeting the conditions set by the corporation.

SECTION 2. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) There shall be allowed a credit against the income tax imposed under KRS 141.020 and 141.040 for any taxpayer in an amount equal to one hundred percent (100%) of the cost of technology-based or environmentally conscious equipment, facilities for housing or utilizing this equipment, or training. If the taxpayer is a pass-through entity, the credit shall pass through in the same proportion as the distributive share of income or loss is passed through.

(2) No income tax credit shall be claimed by any taxpayer for any facility or equipment that is in use on the effective date of this Act, or for which a tax credit was previously claimed by any other taxpayer for any other tax year.

SECTION 3. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) The income tax credits provided in Section 2 of this Act shall be used to offset the first fifty thousand dollars ($50,000) of income tax liability arising during the credit year, and fifty percent (50%) of any remaining income tax liability for the year. Any unused credit may be carried forward for a maximum of nine (9) taxable years after the credit year.

(2) The taxpayer shall refund the amount of the income tax credit determined by subsection (3) of this section if:

- ***(a) Within nine (9) years of the credit year, the equipment, facilities, or training ceases to be utilized in the manner required by Sections 1 to 4 of this Act; or***
- ***(b) Within nine (9) years of the credit year, the Cabinet for Economic Development, the Revenue Cabinet, or the corporation finds that the taxpayer has ceased to qualify for tax credits under Sections 1 to 4 of this Act; or***
- ***(c) Within three (3) years of the credit year, the Cabinet for Economic Development, the Revenue Cabinet, or the corporation finds that the taxpayer has failed to meet the conditions set by the corporation.***

(3) If it is determined that any taxpayer receiving the benefits under Sections 1 to 4 of this Act has failed to comply with the conditions contained in Sections 1 to 4 of this Act, that taxpayer shall be liable for the payment of one-half (1/2) of the income tax credits received relating to the noncompliance. Additionally, the taxpayer shall be liable for the payment of any additional income taxes as may be due after the income tax credits provided for in Section 2 of this Act are disallowed.

(4) The taxpayer who receives a credit under Section 2 of this Act for the purchase of equipment shall not be entitled to claim any other state or local tax credit on the purchase of the equipment, except the deduction for normal depreciation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) To claim the benefits under Section 2 of this Act, a taxpayer shall obtain approval from the authority, which shall consult with the corporation for recommendations on approval or denial of benefits. The authority shall certify to the Revenue Cabinet that the taxpayer is engaged in the value-added hardwood products industry.

(2) The Cabinet for Economic Development and the corporation shall promulgate any administrative regulations necessary to administer Sections 1 to 4 of this Act. The administrative regulations may include, but are not limited to, conditions for eligibility and approval set by the corporation, and the establishment of technical specifications and requirements for information and documentation from taxpayers seeking a credit under Section 2 of this Act.

(3) In order to determine eligibility for the credit or to ensure that the facility or equipment is being utilized in the required manner, the Cabinet for Economic Development and the Revenue Cabinet shall have the right to inspect pertinent facilities and records of a taxpayer requesting or receiving a credit under Sections 1 to 4 of this Act.

The Committee on Agriculture and Small Business reported **HB 576**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 576, AN ACT relating to animals.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 258.005 is amended to read as follows:

As used in KRS 258.005 to ***258.087***~~[258.085 and subsections (1) and (2) of KRS 258.990]~~, unless the context requires otherwise:

(1) "Dog" means any ***canine three (3) months of age or older for which there exists a United States Department of Agriculture approved rabies vaccine***~~[member of the canine family]~~;

(2) "Owner~~[,]~~" ***means any person owning, keeping, or harboring a dog, cat, or ferret in Kentucky***~~[when applied to the proprietorship of a dog, includes every person having a right of property in the dog and every person who keeps or harbors the dog or has it in his care, or permits it to remain on or about premises owned or occupied by him]~~;

(3) "Veterinarian" means a licensed practitioner of veterinary medicine;

(4) "Qualified person" means a person granted a permit by the secretary for health services to vaccinate ***his own dogs***~~[animals]~~

against rabies~~[and may include owners or operators of licensed kennels]~~;~~[and]~~

(5) "Vaccination" means the injection by a veterinarian or other qualified person of ***rabies*** vaccine approved by~~[,]~~ and administered in accordance with ***administrative***~~[the]~~ regulations ***promulgated by***~~[of]~~ the secretary for health services***;***

(6) "Cat" means any feline three (3) months of age or older for which there exists a United States Department of Agriculture approved rabies vaccine;

(7) "Animal control officer" means an individual employed by a city, county, urban-county government, or charter county government who enforces the provisions of KRS 258.005 to 258.087 and local animal control ordinances;

(8) "Ferret" means any musteline three (3) months of age or older for which there exists a United States Department of Agriculture approved rabies vaccine; and

(9) "Quarantine" means the confinement of an animal for observation, and the prevention of escape or contact with any person or other animal.

Section 2. KRS 258.015 is amended to read as follows:

(1) Every owner shall have his dog***, cat, or ferret*** initially vaccinated ***against rabies*** by the age of four (4) months and revaccinated~~[against rabies]~~ at the expiration of the immunization period as certified by the veterinarian. The veterinarian~~[or qualified person]~~ who vaccinates a dog***, cat, or ferret*** shall issue to the owner~~[thereof]~~ a vaccination certificate on a form ***approved***~~[prescribed and supplied]~~ by the Cabinet for Health Services. The vaccination certificate shall be prepared and issued in triplicate, one (1) copy to be retained by the issuing veterinarian~~[or other qualified person]~~, one (1) copy to be given to the owner of the dog***, cat, or ferret*** vaccinated, and one (1) copy to be forwarded by the veterinarian~~[or qualified person]~~ to the local health department~~[, or, if none is maintained, to the Department for Public Health]~~. Each certificate shall bear the name and address of the veterinarian~~[or qualified person]~~ who issued it. The veterinarian~~[or qualified person]~~ shall also furnish each owner with a ***rabies***~~[metal]~~ tag bearing a serial number ***corresponding to the vaccination certificate with***~~[and after January 1, 1980,]~~ the year of~~[expiration of the]~~ immunization~~[period]~~. The tag~~[may bear the name of the veterinarian or qualified person issuing it. It shall be affixed by the owner to a collar or harness furnished by him and]~~ shall be ***affixed to a collar or harness furnished by the owner and shall be*** worn by the dog***, cat, or ferret*** for which the ***tag***~~[certificate]~~ was issued. No one except the owner or his duly authorized agent shall remove the~~[collar with the attached]~~ tag~~[from the dog. Prior to their initial officially recorded vaccination against rabies, all dogs shall be confined to the premises of the owner]~~.

(2) Every qualified person who vaccinates his own dog shall comply with the vaccination certificate and tag requirement provisions provided in subsection (1) of this section.

Section 3. KRS 258.035 is amended to read as follows:

Any owner who has had his dog***, cat, or ferret*** vaccinated against rabies in another state by the proper authority~~[therein]~~ shall not be required to have ***the***~~[such]~~ dog***, cat, or ferret*** revaccinated when brought into this state provided the requirements of ***the***~~[such]~~ state under which the vaccination was made were of a standard not lower than those required in this state and provided~~[further]~~ that ***the***~~[such]~~ dog***, cat, or ferret*** wears a tag affixed to ***its***~~[his]~~ collar or harness bearing the date of ***the***~~[such]~~ vaccination. One (1) year after the date of ***the***~~[such]~~ vaccination ***the***~~[such]~~ dog***, cat, or ferret shall***~~[must]~~ be revaccinated unless provided otherwise by ***administrative***~~[the rules and]~~ regulations ***promulgated by***~~[of]~~ the secretary for health services. The secretary for health services may ***promulgate administrative***~~[make rules and]~~ regulations governing the matter of reciprocity with other states.

Section 4. KRS 258.043 is amended to read as follows:

(1) ~~[Whenever a local board of health determines or is notified by the Cabinet for Health Services that the rabies immunization level among dogs is low in the county or any portion thereof,]~~The local health department ***may***~~[shall]~~ sponsor mass ***rabies*** immunization clinics ***and***~~[at strategic locations and intervals throughout the area designated. The local health department]~~ shall contract with local veterinarians to administer the ***rabies*** vaccine. If the services of veterinarians are not available in the area, the local health department may contract with other veterinarians~~[or qualified persons designated by the Cabinet for Health Services]~~. A reasonable fee ***to be charged to the owner of each dog, cat, or ferret shall be determined by the local health department***, not to exceed five dollars ($5),~~[designated by the local board of health may be collected from each owner]~~ to help defray the cost of the clinic~~[program]~~.

(2)[~~Vaccination and licensing procedures may be jointly conducted at the clinics.~~

~~(3)~~] No owner shall be required to have his dog***, cat, or ferret*** vaccinated at a public clinic if he elects to have his dog***, cat, or ferret*** vaccinated privately by a veterinarian of his choice.

(3) No owner shall be required to have his dog vaccinated at a public clinic if he is a qualified person and elects to vaccinate his dog himself.

Section 5. KRS 258.055 is amended to read as follows:

If~~[Whenever]~~ a local board of health has reason to believe or has been notified by the Cabinet for Health Services that there is danger that rabies may spread within the county~~[or any portion thereof]~~, the board shall publish a notice requiring owners of ~~[dogs or other]~~ specified animals in the ***affected*** area ***of the county***~~[designated]~~ to confine the animals for ***any***~~[such]~~ periods as may be necessary to prevent the spread of rabies. If it is deemed advisable in the interest of public health, the local board of health shall order all ***specified animals***~~[dogs]~~ in the ***affected*** area ***to be*** revaccinated against rabies, ***except animals that have been***

previously vaccinated within the past six (6) months under the provisions of KRS 258.005 to 258.087.[~~and~~] If the local board fails or neglects to ***order a revaccination***[~~do so~~], the Cabinet for Health Services ***shall do so***[~~may order the revaccination of all dogs or other animals in the area except animals that have been previously vaccinated within the past six (6) months under the provisions of KRS 258.005 to 258.085~~]. The Cabinet for Health Services may aid the local health department in the execution of ***any***[~~such~~] emergency vaccinations.

Section 6. KRS 258.065 is amended to read as follows:

(1) ***Except as provided in subsection (2) of this section,*** every physician shall, within twelve (12) hours after his first professional attendance of a person bitten by a dog, cat, ***ferret,*** or other animal***,*** report to the local health department the name, age, sex, color, and precise location of the person so bitten. If a child is bitten and no physician attends, the report shall be made by his parents or guardian. If an adult is bitten and no physician attends, he or the person caring for him shall make the report.

(2) ***If the local health department is closed when a physician, parent, guardian, or other adult attends to a bitten person, the physician, parent, guardian, or other adult shall report the incident on the next working day of the health department.***

Section 7. KRS 258.075 is amended to read as follows:

The secretary for health services may administer the provisions of KRS ***258.087***[~~258.005 to 258.085 and subsections (1) and (2) of KRS 258.990~~] through the local health departments and may ***promulgate any administrative***[~~make such rules and~~] regulations and employ ***any***[~~such~~] personnel as are necessary to effectuate the purposes of KRS 258.005 to ***258.087***[~~258.085 and subsections (1) and (2) of KRS 258.990~~].

Section 8. KRS 258.085 is amended to read as follows:

(1) ***(a)*** A health officer or his agent shall have the authority to quarantine for a period not to exceed one hundred eighty (180) days any animal bitten by another animal known or suspected to have rabies, and to quarantine for a period not to exceed ten (10) days any ***dog, cat, or ferret***[~~animal~~] which has bitten a human being or which exhibits symptoms of rabies[~~. An animal so quarantined may be confined by the health officer at a designated place at the owner's expense~~].

(b) ***In lieu of the quarantines provided in paragraph (a) of this subsection, a health officer or his agent may order an animal to be destroyed and tested for rabies.***

(c) ***If a wild or exotic animal bites a human being or exhibits symptoms of rabies, that animal shall be destroyed and tested for rabies.***

(2) ***If an animal***[~~Whenever a dog~~] dies with rabies***,***[~~ or~~] is suspected of having died with rabies***,*** or is destroyed because of having been suspected of being rabid, the owner***, if known***[~~ thereof~~], whether the ***animal***[~~dog~~] had been previously quarantined or not, shall[~~ at his own expense~~] send the head of ***the animal***[~~such dog~~] to a laboratory approved by the secretary for health services ***to be tested for rabies***[~~in the manner prescribed by the rules and regulations of the secretary for health services~~].

(3) ***(a)*** ***The owner of any animal quarantined or tested under this section shall be liable for any expenses incurred as a result of the quarantine or testing.***

(b) ***Any owner who destroys or disposes of an animal that has bitten a human being shall be liable for any rabies postexposure treatment if the animal is destroyed or disposed of in a manner that does not allow for rabies testing or quarantine.***

(4) ***The cost of the quarantine or testing of any animal whose ownership is unknown shall be the responsibility of the governing body of the county.***

Section 9. KRS 258.087 is amended to read as follows:

Any city***, county, urban-county, or charter county government***[~~legislative body or fiscal court~~] may, by the adoption of an appropriate ordinance or resolution, provide for more stringent regulation of rabies control in dogs, cats, ***ferrets,*** and other animals than set forth in ***KRS 258.005 to 258.087***[~~this chapter~~].

Section 10. KRS 258.095 is amended to read as follows:

As used in KRS 258.095 to ***258.500***[~~258.365 and KRS 258.990(3) and (4)~~], unless the context requires otherwise:

(1) "Department" means the Department of Agriculture;

(2) "Commissioner" means the Commissioner of Agriculture;

(3) ***"Board" means the Animal Control Advisory Board created by Section 12 of this Act***[~~"Committee" means the advisory committee created by KRS 258.115~~];

(4) "Dog" means any ***domestic***[~~member of the~~] canine[~~ family,~~] six (6) months of age or ***older***[~~over~~];

(5) "Owner[~~,~~]" ***means any person owning, keeping, or harboring a dog in Kentucky***[~~when applied to the proprietorship of a dog, includes every person having a right of property in the dog and every person who keeps or harbors the dog, or has it in his care, or permits it to remain on or about premises owned or occupied by him~~];

(6)[~~"Livestock" includes horses, stallions, colts, geldings, mares, sheep, rams, lambs, bulls, bullocks, steers, heifers, cows, calves, mules, jacks, jennets, burros, goats, kids, swine, and confined and domesticated hares and rabbits;~~

~~(7) "Poultry" includes all domesticated fowl and all game birds which are legally kept in captivity;~~

~~(8)~~] "Kennel" means any establishment where dogs are kept for the purpose of breeding, sale, show***,*** or sporting purposes, and which is[~~ so~~] constructed ***to prohibit dogs from straying***[~~that dogs cannot stray therefrom~~];

(7)[~~(9) "Livestock fund" means the fund created by KRS 258.125 for the purpose of administering its provisions;~~

~~(10)~~] "Attack" means a dog's attempt to bite or successful bite of a human being. This definition shall not apply to a dog's attack of a person who has illegally entered or is trespassing on the dog owner's property in violation of KRS 511.060, 511.070, 511.080, or 511.090;

(8)[~~(11)~~] "Vicious dog" means any individual dog declared by a court to be a vicious dog;

(9)[~~(12)~~] "Animal control officer" means an individual employed by a city, county, urban-county government, or charter county government who enforces the provisions of ***KRS 258.095 to 258.500***[~~this chapter~~] and local ***animal***[~~dog~~] control ordinances;[~~ and~~]

(10)[~~(13)~~] "Designated license facility" means any person, facility, or business designated by resolution of the fiscal court to collect license fees under KRS 258.135***;***

(11) "Euthanasia" means the act of putting an animal to death in a humane manner by a method specified as acceptable by the American Veterinary Medical Association Panel on Euthanasia;

(12) "Animal Shelter" means any facility used to house or contain animals, operated or maintained by a governmental body, an incorporated humane society, animal welfare society, society for the prevention of cruelty to animals, or other nonprofit organization, and which provides the animal with shelter, protection from the elements, and protection from temperature extremes at all times; and

(13) "Quarantine" means the confinement of an animal for observation, and the prevention of escape or contact with any person or other animal.

Section 11. KRS 258.105 is amended to read as follows:

[~~(1) The Commissioner shall enforce the provisions of this chapter relating to the licensing and regulation of dogs and the protection of livestock from damage by dogs. The Commissioner may enter into agreements with local agencies and organizations for assistance in the enforcement of this chapter. ~~]The Commissioner shall promulgate ***administrative***[~~rules and~~] regulations for the ***administration***[~~enforcement~~] of ***KRS 258.095 to 258.500***[~~the licensing provisions of this chapter.~~

~~(2) The department may employ personnel to carry out the provisions of this chapter. Such employees shall have all of the powers of peace officers in the enforcement of KRS 258.095 to 258.365 and subsections (3) and (4) of KRS 258.990 and may, upon displaying a badge of identification furnished by the department, enter upon any premises for the purpose of investigation~~].

Section 12. KRS 258.117 is amended to read as follows:

(1) The Animal Control Advisory Board is hereby created for the purposes of making recommendations to the commissioner relating to evaluating applications for and reviewing disbursements from the animal control and care fund, establishing shelter standards, creating training programs, and other duties relating to animal control and care in the counties of the Commonwealth.

(2) The advisory board shall be attached to the Kentucky Department of Agriculture for administrative purposes.

(3) The advisory board shall be composed of the following members appointed by the Governor as specified:

(a) Two (2) members selected from a list of three (3) submitted by the Kentucky Animal Control Association;

(b) Two (2) members selected from a list of three (3) submitted by the Kentucky Veterinary Medical Association;

(c) Two (2) members selected from a list of three (3) submitted by the Kentucky Farm Bureau;

(d) Two (2) members selected from a list of three (3) submitted by the Kentucky Association of Counties;

(e) Two (2) members selected from a list of three (3) submitted by the Kentucky Houndsmen Association; and

(f) Two (2) members selected from a list of three (3) submitted by the Kentucky League of Cities.

(4) Appointed members shall serve for a term of four (4) years. Vacancies shall be filled in the same manner as the original appointment for the unexpired portion of the term.

(5) Members of the advisory board shall receive one hundred dollars ($100) per day for attendance at meetings and shall be entitled to reimbursement for expenses incurred for travel. No per diem or travel expenses shall be paid except for meetings of the full advisory board.

(6) The advisory board shall elect one (1) of its members to serve as chair for a term of two (2) years.

(7) The advisory board shall meet quarterly***, or upon the call of the chair***.

(8) The commissioner shall carry out the recommendations of the advisory board.

Section 13. KRS 258.119 is amended to read as follows:

(1) The "Animal Control and Care Fund" is hereby created as a special fund in the State Treasury. The fund may also receive gifts, grants from public and private sources, state appropriations, and federal funds. Any unalloted or unencumbered balances in this fund shall be invested as provided for in KRS 42.500(9). Income earned from the investments shall be credited to the fund. Any fund balance at the close of the fiscal year shall not lapse but shall be carried forward to the next fiscal year, and moneys in this fund shall be continuously appropriated only for the purposes specified in this section.

(2) Moneys from the fund shall be used by the Animal Control Advisory Board for board expenses, for the creation and support of statewide programs related to animal control and care, and for training[~~ dog wardens and~~] animal control officers. "Statewide programs" includes, but is not limited to, the reimbursement of costs for preexposure rabies vaccinations for all animal control and care workers. When determining the distribution of the moneys relating to training, the need of the applicant shall be one (1) of the criteria considered by the board. Based on recommendations of the Animal Control Advisory Board, any moneys not expended under this subsection may be distributed annually as grants to counties with an established animal control and care program meeting the requirements of subsection (3) of this section or approved plan to establish an animal control and care program under subsection (4) of this section.

(3) As used in this section, "animal control and care program" means a program in which the county:

(a) Employs[~~ a dog warden or~~] an animal control officer as required by KRS 258.195, who is a high school graduate and has completed the training requirements set forth by the Animal Control Advisory Board; and

(b) Maintains ***an***[~~a dog pound or~~] animal shelter, or contracts with an adjoining county, to provide services that:

1. Segregate male and female animals in runs and holding areas;
2. Provide separate runs or holding areas for ill or injured animals;
3. Provide quarantine for dogs and cats presented to the shelter when quarantine by the owner is not feasible or desirable, the cost of quarantine to be borne by the animal owner at the shelter's regular housing costs and fees. Quarantined dogs and cats shall be held in isolation for observation of symptoms of rabies for a period of ten (10) days from the date the dog or cat bit or scratched a person. If the dog or cat dies or is euthanized while in quarantine, it shall be submitted to ***a laboratory approved by the secretary for health services***[~~the local health department~~] for testing for the presence of the rabies virus. The cost of the testing shall be borne by the animal owner ***if known, or if not, by the governing body of the county***[~~or the local health department may bear the cost at its discretion~~];
4. Provide holding areas with protection from the weather, including heated quarters during cold weather;
5. Provide runs and cages built of materials which can be readily cleaned and disinfected, including floors made of an impervious material[~~ or a minimum of three (3) inches of gravel~~];
6. Provide access to the public for no less than twenty-four (24) hours in one (1) week, with the hours that the facility is open to the public posted in a visible location;
7. Employ euthanasia methods recommended by the American Veterinary Medical Association ***Panel on Euthanasia***; and
8. Provide other minimum standards as developed by the Animal Control Advisory Board and approved by the commissioner.

(4) Counties submitting plans proposing to establish an animal control and care program for approval by the Animal Control Advisory Board shall comply with the requirements of:

(a) Paragraph (a) of subsection (3) of this section within twelve (12) months of the date the documentation is submitted; and

(b) Paragraph (b) of subsection (3) of this section within twenty-four (24) months of the date the documentation is submitted.

(5) To be eligible for any moneys distributed as grants to counties under subsection (2) of this section, counties shall submit an application to the commissioner, on a form prescribed by the Department of Agriculture, by July 15 of each year. Moneys shall be used for construction, equipment, educational supplies, and other uses or programs approved by the advisory board, but shall not be used to increase wages of ***animal control officers***[~~dog wardens~~] or other personnel. Counties receiving money from the Department of Agriculture shall comply with the terms of the plan or program. If the terms of the plan or program are not complied with, the county shall refund the money to the Department of Agriculture.

(6) The commissioner shall promulgate administrative regulations that relate to the animal control and care fund provisions of this section.

Section 14. KRS 258.135 is amended to read as follows:

(1) ***It shall be the responsibility of each county to administer and enforce the licensing provisions of KRS 258.095 to 258.500.***

(2) On or before July 1[~~, 1954, and on or before July 1~~] of each year[~~ thereafter~~], the owner of any dog six (6) months old or ***older***[~~over~~] shall apply to the ***animal control officer***[~~dog warden~~] or designated license facility of the county in which he resides for a ***state*** license for each dog owned or kept by him. The application shall be accompanied by a license fee of ***five***

dollars ($5)[~~one dollar and fifty cents ($1.50)~~] for each dog, except as provided in ***Section 16 of this Act and*** KRS 258.500. ***Animal control officers***[~~Any license issued for the year of 1954 before July 1, 1954, shall be effective until July 1, 1955. Dog wardens~~] and designated license facilities shall be agents of the Commonwealth in the collection of the license fees, unless the department determines, with the approval of the Governor, to issue all ***state*** licenses either directly or through other agents. ***Each county shall be allowed to retain the sum of four dollars and fifty cents ($4.50) for each state license sold. The moneys collected from the sale of the licenses shall be used for a county animal disposal program or for some other animal control activity***[~~For services rendered in collecting and paying over the fee, dog wardens or designated license facilities shall be allowed to retain the sum of twenty five cents ($0.25) for each license~~]. The balance of the license fee collected shall be paid to the department quarterly[~~ and shall be credited to the livestock fund. If the committee finds it to be in the interest of maximum enforcement of this chapter to permit certain other portions of the license fee to be retained by the respective counties for use in enforcement, the department may allow these portions of the license fee to be so retained by the counties~~].

(3)[~~(2)~~] Any ***city,*** county***, urban-county government, or charter county government*** may choose to issue additional licenses in conjunction with effective dates of a valid rabies vaccination, provided the dog ***owner obtains the state license required by subsection (2) of this section***[~~shall be licensed~~] each fiscal year.

Section 15. KRS 258.145 is amended to read as follows:

(1) A ***state*** dog license bearing a serial number and ***any***[~~such~~] other information ***that***[~~as~~] will properly identify the dog shall be issued on a form[~~ prescribed and~~] supplied by the department and shall be void on July 1[~~,~~] of the following year. Upon issuance of the license, the owner shall be furnished a tag[~~ prescribed and~~] supplied by the department bearing a serial number corresponding with the serial number of the license. If a license or tag is lost, a duplicate shall be issued at a charge ***to be*** determined by the department. The department may ***allow***[~~, if the committee deems such a plan practical, arrange~~] for the tattooing of dogs under a system whereby tattoo marks shall serve as proof of licensing in the event a tag is lost or is removed for good reason by a dog owner or keeper, but[~~ such~~] tattooing shall be done only upon the request of the owner or keeper.

(2) The tag shall be affixed to a[~~ substantial~~] collar ***or harness*** furnished by the owner which shall be kept on the dog at all times, and only the owner or his authorized agent shall remove the collar ***or harness***[~~with attached tag from any dog~~].

(3) No license or tag issued for one ***(1)*** dog shall be transferable to another dog except as provided in KRS 258.165.

(4) Except when a tattoo is used, any dog not bearing a tag shall prima facie be deemed to be unlicensed, and in any proceedings under ***KRS 258.095 to 258.500,***[~~this chapter~~] the burden of proof of the fact that a dog has been licensed shall be on the owner of the dog.

Section 16. KRS 258.165 is amended to read as follows:

(1) Any person who keeps or operates a kennel may, in lieu of the license for each dog required by KRS 258.135, apply to the ***animal control officer or designated license facility of the county in which the kennel is located***[~~dog warden~~] for a kennel license entitling him to keep or operate a kennel. ***The***[~~Such~~] application shall be accompanied by a license fee of ***twenty-five dollars ($25). Each county shall be allowed to retain the sum of twenty-two dollars and fifty cents ($22.50) for each license sold. The moneys collected from the sale of the licenses shall be used for a county animal disposal program or for some other animal control activity. The balance of the license fee collected shall be paid to the department quarterly***[~~ten dollars ($10) for each license to keep ten (10) dogs or less and fifteen dollars ($15) for each license to keep more than ten (10) dogs. Such license fees shall be collected, paid to the department, and credited to the livestock fund in the same manner as the regular dog license fees~~].

(2) A kennel license shall be issued on a form[~~ prescribed and~~] supplied by the department.

(3) Upon the issuance of a kennel license, the person who keeps or operates the kennel shall be furnished a number of tags[~~ prescribed and~~] supplied by the department equal to the number of dogs[~~ authorized to be~~] kept in the kennel.

(4) The licensee of a kennel shall keep a tag attached to a collar ***or harness*** on each dog kept by him at all times, and ***the***[~~such~~] tags may be transferred from one dog to another within the kennel ***if***[~~whenever~~] any dog is removed from the kennel.

Section 17. KRS 258.185 is amended to read as follows:

Each ***animal control officer***[~~dog warden~~] shall keep a record of all dog and kennel licenses issued, including licenses issued by designated license facilities, and shall report to the department quarterly those license sales on a form[~~ prescribed and~~] supplied by the department. Designated license facilities shall make quarterly reports to the ***animal control officer***[~~dog warden~~] in order for the ***animal control officer***[~~warden~~] to report to the department. The record maintained shall be a public record.

Section 18. KRS 258.195 is amended to read as follows:

(1) ***The governing body***[~~On or before July 1, 1954, the fiscal court~~] of each county shall employ ***an animal control officer and***[~~a dog warden. On or before July 1, 1955, the fiscal court of each county~~] shall establish and maintain ***an animal shelter***[~~a dog pound~~] as a means of facilitating and ***administering KRS 258.095 to 258.500. One (1) or more counties may enter into intergovernmental agreements for the establishment of regional animal shelters. Governing bodies may also contract with entities authorized to maintain sheltering and animal control services. The department shall promulgate administrative regulations establishing standards for animal shelters. Failure of counties to comply with standards established by the department shall be prosecuted in Franklin Circuit Court in an action brought by the***

Office of the Attorney General. Governing bodies may adopt additional standards and ordinances related to public health, safety, enforcement, and the efficient and appropriate operation of their shelters and their animal control programs[~~administration of this chapter. In counties of small population, arrangements may be made for the joint establishment and operation of dog pounds by two (2) or more counties on a mutually satisfactory basis. Instead of setting up pounds, one (1) or more counties acting jointly may take advantage of the facilities of suitable pounds already in operation by counties, cities, humane societies, or other organizations or individuals. Fiscal courts may adopt and enforce regulations relative to pound standards, the naming of persons who shall serve as dog wardens, providing for the fixing of salaries of wardens and assistants, and such other matters that may be incidental to efficient and proper operation of the dog pound plan~~].

(2) [~~As a means of providing a portion of the funds for setting up and operating dog pounds, fifty cents ($0.50) out of the one dollar and fifty cents ($1.50) paid for every dog license sold in each county shall be credited by the department to a special enforcement fund to be refunded to the respective counties on a pro rata basis determined by the licenses sold in each county, and shall be used in meeting expenses of the dog warden and the dog pound plan.~~

~~(3) Dog wardens may be designated as agents of the department for purposes of appraising livestock losses pursuant to KRS 258.275.~~

~~(4)~~]Cities[~~, counties, urban-county governments, or charter county governments~~] may employ animal control officers for the enforcement of ***KRS 258.095 to 258.500***[~~this chapter~~] and local dog control ordinances within their corporate limits. Cities, urban-county governments, or charter county governments may enter into agreements with the counties for the enforcement of the county's ***animal control*** ordinances. The agreement shall include, but shall not necessarily be limited to, setting out the jurisdiction and the duties of the ***animal control*** officer[~~ or warden~~] respective to the agreement.

(3) [~~(5) Dog wardens and~~]Animal control officers shall have the authority to issue[~~ uniform~~] citations only for the enforcement of the provisions of ***KRS 258.095 to 258.500***[~~this chapter~~] or ***animal***[~~dog~~] control ordinances in their respective jurisdictions.

Section 19. KRS 258.205 is amended to read as follows:

(1) Any person may bring, or cause to be brought into the state, for a period of not more than ninety (90) days, one ***(1)*** or more dogs for show, trial, or breeding purposes without securing a license, and any person holding a Kentucky nonresident hunting license may, without securing a license[~~ or licenses therefor~~], bring or cause to be brought into the state one ***(1)*** or more dogs for the purpose of hunting game during any hunting season when hunting with dogs is permitted by law, if a similar exemption from the necessity of securing dog licenses is afforded for hunting purposes to residents of Kentucky by the ***state***[~~states~~] of ***that***[~~such~~] person's residence***. Each dog brought into the state under the provisions of this subsection shall be***[~~; provided, however, that each dog is~~] equipped with a collar ***or harness*** bearing a name plate giving the name and address of the owner.

(2) In any proceedings under ***subsection (1) of this section,***[~~this chapter~~] the burden of proof of the fact that a dog has been imported for hunting, breeding, trial***,*** or show purposes shall be upon the owner of the dog.

Section 20. KRS 258.215 is amended to read as follows:

(1) ***Unrestrained dogs shall be taken by an animal control officer or peace officer, or may be taken by any citizen, and***[~~Peace officers, dog wardens, or animal control officers shall seize and impound any dog which does not bear a proper license tag or other legible identification which is found running at large, but if an officer, dog warden, or animal control officer, after diligent effort to do so, should fail to seize the dog, it shall then become his duty to destroy the dog by any reasonable and humane means. Any dog which an officer, dog warden, or animal control officer seizes shall be~~] impounded ***in the designated animal shelter of the county and confined in a humane manner. If, after a reasonable effort, the seizure of an unrestrained dog cannot be made, or should the dog present a hazard to public safety or property or have an injury or physical condition which causes the dog to suffer, the animal control officer or peace officer may immediately destroy the dog by the most reasonable and humane means then available.***

(2) ***(a)*** ***Impounded dogs shall be kept*** for ***not less than***[~~a period of~~] five (5)[~~ or seven (7)~~] days, ***unless reclaimed by their owners. Dogs not reclaimed and those not placed in suitable new homes may be humanely euthanized after the five (5) day holding period, unless the dog has an injury or physical condition which causes it to suffer. In those cases, the animal shelter may immediately euthanize the dog, unless the dog has bitten a human being. If a human being has been bitten by the dog, the dog shall be tested for rabies.***

(b) ***If an owner is identified, the impounding agency shall immediately notify the owner of the impoundment by the most expedient means available.***

(c) ***All shelters shall keep a record on all impounded dogs specifying the:***

1. ***Date impounded;***

2. ***Date reclaimed, adopted, or euthanized;***

3. ***Sex;***

4. ***Color;***

5. ***Location picked up; and***

6. Description of illness or injury warranting euthanasia[~~to be determined by the local animal shelter. If the dog is not claimed by the owner or sold in accordance with other provisions of this chapter, then the dog may be destroyed in some humane manner~~].

(d) Any animal shelter, public or private, which takes in stray dogs and does not have regular hours for public access, shall post semimonthly either in a local newspaper or the newspaper with the highest circulation in the county, the shelter location, hours of operation, the period that impounded dogs shall be held, and a contact number.

(3) Upon reclaiming an impounded dog, cat, or ferret, the owner shall show proof of a valid rabies vaccination, and, for an impounded dog, proof of a state license. If proof of the vaccination and state license cannot be provided, the owner shall purchase a vaccination voucher from the animal shelter, and a state license from an animal control officer or designated license facility. The voucher shall be valid for ten (10) days from the date of issuance and must be used in the prescribed time period. The animal shelter shall reimburse the veterinarian for the amount of the voucher upon presentation to the shelter by the administering veterinarian.

(4) The owner of an impounded dog, cat, or ferret is responsible for all fees associated with the impoundment of the dog, cat, or ferret. If the owner can be identified, the fees are due even if the owner does not reclaim the dog, cat, or ferret.

(5) Dogs, cats, or ferrets which have bitten or scratched a person shall be maintained in quarantine by the owner for ten (10) days from the date of the bite or scratch. Owners who fail to properly quarantine their animals shall be subject to a citation for violation of this subsection and the dog, cat, or ferret shall be removed to the animal shelter for the remainder of the quarantine period. The owner shall be responsible for all associated fees of the quarantine and impoundment[

~~(2) A hound or other hunting dog which has been released from confinement for hunting purposes shall be deemed to be under reasonable control of its owner or handler while engaged in or returning from hunting, and, if a hunting dog becomes temporarily lost from a pack or wanders from actual control or sight of its owner or handler, the owner or handler shall not be deemed to be in violation of the provisions of this section as a result of the dog's having become temporarily lost or having wandered from immediate control or sight of the owner or handler~~].

Section 21. KRS 258.225 is amended to read as follows:

(1) It shall be unlawful for any peace officer[~~, dog warden,~~] or animal control officer to refuse to perform his duties under the provisions of *KRS 258.095 to 258.500*[~~this chapter~~], or to refuse to assist in the enforcement of *KRS 258.095 to 258.500*[~~this chapter~~] upon request of the commissioner.

(2) It shall be unlawful for any person to interfere with any *peace* officer,[~~ dog warden, or~~] animal control officer, or agent in the enforcement of *KRS 258.095 to 258.500*[~~this chapter~~].

Section 22. KRS 258.235 is amended to read as follows:

(1) Any person*, without liability,* may kill[~~ or seize~~] any dog which *is observed attacking any person*[~~he sees in the act of pursuing or wounding any livestock, or wounding or killing poultry, or attacking human beings, whether or not such dog bears the license tag required by the provisions of this chapter. There shall be no liability on such person in damages or otherwise for killing, injuring from an attempt to kill, or for seizing the dog~~].

(2) Any *livestock owner or his agent, without liability, may kill any dog trespassing on that owner's property and observed in the act of pursuing or wounding his livestock*[~~unlicensed dog, not accompanied by its owner or keeper, that enters any field or inclosure where livestock or poultry are confined shall constitute a private nuisance and the owner or tenant of such field or inclosure, or his agent or servant, may kill or seize such dog while it is in the field or inclosure, without liability or responsibility of any nature for killing, injuring from an attempt to kill, or for seizing the dog~~].

(3) Any dog *determined to be vicious by the court and allowed to be returned to an owner shall be confined in a locked enclosure at least seven (7) feet high, or a locked kennel run with a secured top. The dog may leave the enclosure only to visit the veterinarian or to be turned in to an animal shelter. The dog shall be muzzled if leaving the enclosure for either of these purposes*[~~deemed in violation of this section and seized by a property owner or his agent shall be surrendered over to the dog warden, animal control officer, or a peace officer for impoundment as stipulated in KRS 258.215~~].

(4) *Any owner whose dog is found to have caused damage to a person, livestock, or other property shall be responsible for that damage*[~~Subsection (2) of this section shall not apply to licensed dogs, when accompanied by their owner or handler, unless caught in the act of wounding or killing any livestock, or wounding or killing poultry, or attacking human beings~~].

(5) (a) Any person who has been attacked by a dog, or anyone *acting on behalf of that*[~~for such~~] person, may make a complaint before the District Court, charging the owner or keeper of *the*[~~such~~] dog with harboring a vicious dog. A copy of *the*[~~such~~] complaint shall be served upon the person so charged in the same manner and subject to the laws regulating the service of summons in civil actions directing him to appear for a hearing of *the*[~~such~~] complaint at a time fixed *in the complaint*[~~therein~~]. If *the*[~~such~~] person fails to appear at the time fixed, or if upon a hearing of the parties and their witnesses, the court finds the person so charged is the owner or keeper of the dog in question, and that the dog has viciously and without cause, attacked a human being when off the premises of the owner or keeper, the person shall be subject to the penalties set forth in KRS 258.990(3)(b), and the court shall further order the owner or keeper to[~~ henceforth~~] keep the dog securely confined *as provided by subsection (3) of this*

section[~~by chain leash or enclosed pen of sufficient strength to securely restrain the dog from being a public threat~~], or the court may order the dog to be destroyed.

(b) The[~~ dog warden or duly appointed~~] animal control officer shall act as an officer of the court for the enforcement of any orders of the court in their jurisdiction pertaining to this subsection.

(6) For his services in ***the***[~~such~~] proceedings, ***a***[~~the~~] peace officer shall be entitled to the same fees to which he is entitled for performing similar services in civil cases. In all proceedings under this section, ***the***[~~such~~] court shall place the costs upon either party as ***it***[~~he~~] may determine.

(7) It shall be unlawful for the owner or keeper of any vicious dog after receiving an order under subsection (5) of this section, to permit ***the***[~~such~~] dog to run at large, or to appear ***in public except as provided in subsection (3) of this section***[~~on the public highways unless in leash~~]. Any ***vicious***[~~such~~] dog found running at large may be killed by any[~~ dog warden,~~] animal control officer[~~,~~] or peace officer without liability for damages for ***the***[~~such~~] killings.

Section 23. KRS 258.245 is amended to read as follows:

(1) All licensed dogs are hereby declared to be personal property and subjects of larceny. Except as provided in KRS 258.235, it shall be unlawful for any person, except a peace officer[~~, dog warden,~~] or animal control officer to destroy, injure, or poison, or attempt to destroy, injure, or poison, any dog which bears a license tag for the current year.

(2) ***Except as provided in subsection (1) of this section,*** it shall be unlawful for any person to place[~~ any dog button or~~] any poison of any description in any place, on his own premises or elsewhere, where it may be easily found and eaten by dogs.

Section 24. KRS 258.255 is amended to read as follows:

Every female dog in heat shall be confined in a building or secure enclosure in such a manner that the female dog cannot come in contact with another dog except for a planned breeding[~~It shall be unlawful for the owner or keeper of any female dog to permit her to go beyond the premises of such owner or keeper at any time she is in heat, unless she is properly in leash~~].

Section 25. KRS 258.265 is amended to read as follows:

(1) ***No owner shall fail to exercise proper care and control of his dog so as to prevent the dog from violating any local government nuisance ordinance as provided in KRS 82.700 to 82.725***[~~The owner or keeper of every dog shall at all times between the hours of sunset and sunrise of each day keep such dog:~~

~~(a) Confined within an inclosure from which it cannot escape, or~~

~~(b) Firmly secured by means of a collar and chain or other device so that it cannot stray beyond the premises on which it is secured, or~~

~~(c) Under the reasonable control of some person or, when engaged in lawful hunting accompanied by an owner or handler. A hound or other hunting dog which has been released from confinement for hunting purposes shall be deemed to be under reasonable control of its owner or handler while engaged in or returning from hunting, and, if such a hunting dog becomes temporarily lost from a pack or wanders from actual control or sight of its owner or handler, such owner or handler shall not be deemed to be in violation of the provisions of this section as a result of such dog's having become temporarily lost or having wandered from immediate control or sight of the owner or handler~~].

(2) Any peace officer[~~, dog warden,~~] or animal control officer may seize or destroy any dog found running at large between the hours of sunset and sunrise and unaccompanied and not under the control of ***its*** owner or handler.[~~ However,~~] A peace officer[~~, dog warden,~~] or animal control officer shall be under a duty to make a fair and reasonable effort to determine whether any dog found at large between sunset and sunrise is a hound or other hunting dog which has become lost temporarily from a pack or wandered from immediate control of its owner, or handler, and if he is reasonably sure that the dog is a hunting dog, then he shall not destroy the dog, unless it is found in the act of pursuing or wounding livestock, or wounding or killing poultry, or attacking human beings.

(3) A hound or hunting dog may be unrestrained when engaged in lawful hunting activities while on private or public property designated or authorized for that purpose.

Section 26. KRS 258.365 is amended to read as follows:

Nothing in this chapter shall be construed to prohibit or limit the right of any ***governing body***[~~city~~] to pass or enforce any ordinance with respect to the regulation of dogs ***or other animals***, the provisions of which are not inconsistent with the provisions of this chapter. Nothing in this chapter shall be construed to repeal any of the provisions of the fish and game laws of the Commonwealth of Kentucky now in effect, nor any laws relating to the powers and duties of the secretary for health services, or any health officer relating to ***rabid animals or animals***[~~mad dogs or dogs~~] affected with any disease, or to prohibit the destroying of licensed or unlicensed dogs in accordance with the provisions of any quarantine regulations, made in accordance with the provisions of any local or state health law.

Section 27. KRS 258.500 is amended to read as follows:

(1) ***As used in subsections (1) to (11) of this section, "person" means a "person with a disability" as defined by KRS 210.770. "Person" also includes a trainer of an assistance dog.***

(2) If[~~When~~] a[~~ blind~~] person is accompanied by ***an assistance***[~~a guide~~] dog, neither the[~~ blind~~] person nor the dog shall be denied admittance to any hotel, motel, restaurant, or eating establishment, nor shall the[~~ blind~~] person be denied full and equal accommodations, facilities, and privileges of all public places of amusement, theater, or resort when accompanied by ***an assistance***[~~a guide~~] dog.

(3)[~~(2)~~] Any[~~ blind~~] person accompanied by ***an assistance***[~~a guide~~] dog shall be entitled to full and equal accommodations on all public transportation, if the[~~ guide~~] dog ***does***[~~shall~~] not occupy a seat in any public conveyance, nor endanger the public safety.

(4)[~~(3)~~] ***No***[~~The blind~~] person shall[~~ not~~] be required to pay additional charges or fare for the transportation of any accompanying ***assistance***[~~guide~~] dog.

(5)[~~(4)~~] ***No***[~~Any blind~~] person accompanied by ***an assistance***[~~a guide~~] dog shall[~~ not~~] be denied admittance and use of any public building, nor denied the use of any elevator operated for public use.

(6)[~~(5)~~] Any blind person accompanied by ***an assistance***[~~a guide~~] dog may keep the ***dog***[~~animal~~] in his[~~ or her~~] immediate custody while a tenant in any apartment, or building used as a public lodging.

(7)[~~(6)~~] The provisions of this section shall not apply unless the ***assistance***[~~guide~~] dog has been trained ***or is being trained*** by a recognized training agency or school, and is properly harnessed.

(8)[~~(7)~~] ***(a) Except as provided in paragraph (b) of this subsection,*** all[~~ blind~~] persons accompanied by ***an assistance***[~~a trained guide~~] dog shall have in their personal possession a certificate issued by the ***assistance***[~~guide~~] dog training agency or school establishing that their dogs have been so trained.

(b) All trainers accompanied by an assistance dog shall have in their personal possession identification verifying that they are trainers of assistance dogs.

(9)[~~(8)~~] The provisions of this section shall not apply unless the ***person***[~~blind master~~] complies with the legal limitations applicable to ***nondisabled***[~~sighted~~] persons and unless all requirements of KRS 258.015, 258.135 and 258.145 have been complied with.

[~~(9) The provisions of this section shall also apply to any deaf person accompanied by a dog trained to aid the deaf. As used in this section, "deaf person" means a person described in KRS 30A.410(1)(a).~~]

(10)[~~ The provisions of this section shall also apply to any mobility-impaired person accompanied by a dog trained to provide support or assistance for a mobility-impaired person. As used in this section, "mobility-impaired person" means any person, regardless of age, who is subject to a physiological defect or deficiency, regardless of its cause, nature or extent, that renders the person unable to move about without the aid of crutches, a wheelchair, or any other form of support, or that limits the person's functional ability to ambulate, climb, descend, sit, rise, or to perform any related function.~~

~~(11) No person, firm, or corporation, or agent thereof, shall willfully or maliciously interfere with a guide dog or guide dog user.~~

~~(12)~~] ***Assistance***[~~Guide~~] dogs are exempt from all state and local licensing fees.

(11)[~~(13)~~] Licensing authorities shall accept that the dog for which the license is sought is ***an assistance***[~~a guide~~] dog[~~,~~] when a copy of the certificate, as required under subsection ***(8)***[~~(7)~~] of this section, is attached to the[~~ animal~~] licensing form.

(12) No person shall willfully or maliciously interfere with an assistance dog or the dog's user.

Section 28. KRS 258.990 is amended to read as follows:

(1) Any person who violates KRS 258.015, 258.035, 258.055, 258.065***,*** or 258.085, shall be fined not less than ten dollars ($10) nor more than one hundred dollars ($100). Each day of violation shall constitute a separate offense.

(2) The owner of any dog***, cat, or ferret which bites a human being***[~~ not vaccinated according to the provisions of this chapter~~] shall be liable to pay all damages for personal injuries resulting from the bite of ***the***[~~such~~] dog, ***cat, or ferret***[~~if rabid~~].

(3) (a) Any person violating or failing or refusing to comply with KRS 258.095 to 258.365[~~ and subsections (3) and (4) of this section~~], except KRS 258.235(5)(a), shall, upon conviction, be fined not less than five dollars ($5) ***nor***[~~and not~~] more than one hundred dollars ($100)***,*** or be imprisoned ***in the county jail*** for not less than five (5) nor more than sixty (60) days***,*** or both[~~ so fined and imprisoned~~].

(b) Any person violating KRS 258.235(5)(a) shall be punished by a fine of not less than fifty dollars ($50) nor more than two hundred dollars ($200), or by imprisonment in the county jail for not less than ten (10) nor more than sixty (60) days, or[~~ by~~] both[~~ fine and imprisonment~~].

(4) ***Any person violating KRS 258.500 shall be punished by a fine of not less than two hundred fifty dollars ($250) nor more than one thousand dollars ($1,000), or by imprisonment in the county jail for not less than ten (10) nor more than thirty (30) days, or both***[~~All fines collected under subsection (3) of this section shall after costs and commissions have been deducted, be paid to the department to be credited to the livestock fund~~].

Section 29. KRS 67.592 is amended to read as follows:

(1) The county judge/executive shall designate the sheriff of the county, or, if there is a county police department, may designate the chief of the county police, as custodian of all property:

(a) Alleged to be or suspected of being the proceeds of crime;[~~or~~]

(b) Alleged to be or suspected of having been used to facilitate the commission of a crime;[~~or~~]

(c) Which is subject to confiscation or forfeiture, excluding property subject to forfeiture pursuant to KRS Chapter 218A, or both, under any provision of the Kentucky Revised Statutes;[~~or~~]

(d) Which is taken from the person of a prisoner, except for ***any***[~~such~~] personal property ***that***[~~as~~] may be in the custody of a prisoner upon his admission to jail, in which case all property which he is not permitted to retain upon admission to jail shall be placed in the custody of the jailer;[~~or~~]

(e) Which is lost or abandoned and taken into custody by any peace officer, or the courts; or

(f) Which is taken from persons supposed to be insane, intoxicated, or otherwise incapable of taking care of themselves.

(2) Any peace officer, except for the Kentucky State Police, or court having custody of the property shall, as soon as practicable, deliver it into the custody of the property clerk.

(3) The sheriff or chief of county police designated as custodian of property shall appoint from persons on his staff, or may employ, a person to serve as property clerk and other persons necessary as deputy property clerks.

(4) All the property shall be particularly described and registered by the property clerk, or his deputy, in a book kept for that purpose, containing the name of the owner, if ascertained, the place where found, the name of the person from whom it was taken, with the general circumstances of its receipt, the name of the officer recovering the property, the names of all claimants ***to the property***[~~thereto~~], and any final disposition of the property. The property clerk shall advertise the property, if it is not the subject of a forfeiture proceeding, as to the amount and disposition of the property.

(5) The fiscal court of the county may prescribe regulations in regard to the duties of the property clerk and his deputies, and require security for the faithful performance of the duties imposed by this section.

(6) All animals stolen, strayed, lost, or confiscated that come into the possession of the property clerk shall be sent to ***an animal shelter***[~~a public pound~~] located within the county, if there is one, or if there is none to ***an animal shelter***[~~a public pound~~] in another county.

(7) No property shall be delivered to the property clerk or his deputy except as provided in this section.

(8) No property shall be disposed of by the property clerk or his deputy except in the manner prescribed by law.

(9) The provisions of this section shall apply in all unincorporated areas of a county and in all cities which do not appoint a property custodian pursuant to KRS 95.845.

Section 30. KRS 189.575 is amended to read as follows:

The operator of a vehicle shall yield the right-of-way to any blind pedestrian carrying a clearly visible white cane or accompanied by ***an assistance***[~~a guide~~] dog.

Section 31. KRS 212.625 is amended to read as follows:

Each city-county board of health created by KRS 212.350 shall establish, maintain***,*** and operate ***an animal shelter***[~~a public pound~~] for animals in which, except as otherwise provided by law, shall be impounded all stray, vicious***,*** or diseased animals taken up or collected in ***the***[~~such~~] county, whether in incorporated or unincorporated areas, by any public officer or authority or by any other person. Each[~~such~~] board shall, throughout the county, including all municipalities ***within the county***[~~therein~~], enforce all statutes, ordinances of cities, orders or resolutions of the fiscal court of the county***,*** and regulations of ***the***[~~such~~] board or any other governmental body or agency authorized to ***promulgate***[~~adopt such~~] regulations, relating to the taking up, collection***,*** and impounding of stray, vicious***,*** or diseased animals. Each[~~such~~] board may promulgate and enforce reasonable and necessary[~~rules and~~] regulations providing for the collection and impounding of[~~such~~] animals and governing the use and operation of ***animal shelters***[~~such public pounds~~].

Section 32. KRS 257.100 is amended to read as follows:

(1) Any peace officer***, animal control officer,*** or any officer of the accredited Humane Society or Society for the Prevention of Cruelty to Animals may destroy or kill or cause to be destroyed or killed, any animal found abandoned and suffering and not properly cared for, or appearing to be injured, diseased***,*** or suffering past recovery for any useful purpose.

(2) Before destroying the animal the officer shall obtain the judgment to that effect of a veterinarian, or of two (2) reputable citizens called by him to view the animal in his presence, or shall obtain consent to the destruction from the owner of the animal.

(3) (a) Any animal placed in the custody of a licensed veterinarian for treatment, boarding***,*** or other care, which shall be unclaimed by its owner or his agent for a period of more than ten (10) days after written notice by certified mail, return receipt requested, is given the owner or his agent at his last known address, shall be deemed to be abandoned and may be turned over to the nearest humane society[~~, dog pound~~] or animal shelter or disposed of as ***the***[~~such~~] custodian may deem proper.

(b) The giving of notice to the owner, or the agent of the owner of ***the***[~~such~~] animal by the licensed veterinarian,[~~as provided herein~~] shall relieve the licensed veterinarian and any custodian to whom ***the***[~~such~~] animal may be given of any further liability for disposal.

(4) For the purpose of this section, the term "abandon" ***means***[~~shall mean~~] to forsake entirely, or to neglect or refuse to provide or perform the legal obligations for care and support of an animal by its owner, or his agent. [~~Such~~]Abandonment shall constitute the relinquishment of all rights and claims by the owner to ***the***[~~such~~] animal.

Section 33. KRS 321.181 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the Kentucky Board of Veterinary Examiners;

(2) "Animal" means any animal, except human beings;

(3) "Compensation" includes any gift, bonus, fee, money, credit, or other thing of value;

(4) "Veterinarian" means a practitioner of veterinary medicine who is duly licensed in the Commonwealth of Kentucky;

(5) "Practice of veterinary medicine" means:

(a) To diagnose, treat, correct, change, relieve, or prevent: animal disease, deformity, defect, injury, or other physical or mental conditions, including the prescription or administration of any drug, medicine, biologic, apparatus, application, anesthetic, or other therapeutic or diagnostic substance or technique, and the use of any manual or mechanical procedure for testing for pregnancy, or for correcting sterility or infertility, or to render advice or recommendation with regard to any of the above;

(b) To engage in veterinary surgery, obstetrics, embryo transfer, dentistry, acupuncture, manipulation, and all other branches or specialties of veterinary medicine and the prescribing, administering, or dispensing of drugs and medications for veterinary purposes, in accordance with the applicable federal statutes and regulations governing controlled prescription and legend drugs; and

(c) To use any title, words, abbreviation, or letters in a manner or under circumstances which induce the belief that the person using them is qualified to do any act described in paragraphs (a) and (b) of this subsection;

(6) "Embryo transfer" means to remove any embryo from any animal for the purpose of transplanting the embryo into another female animal or for the purpose of cryopreserving the embryo, or to implant the embryo into any animal, including food and companion animals;

(7) "Chemical restraint" means the use of any prescription or legend drug that restrains or tranquilizes the animal;

(8) "Direct supervision" means the veterinarian is on the premises, and is quickly and easily available, and the animal has been examined by a veterinarian at the times acceptable veterinary medical practice requires, consistent with the particular delegated animal health care tasks;

(9) "Indirect supervision" means the veterinarian does not have to be on the premises as long as a valid veterinary/client/patient relationship has been established and the veterinary technologist, veterinary technician, or veterinary assistant has been instructed on the applicable animal health care tasks in accordance with KRS 321.441 and 321.443;

(10) "Emergency" means the animal has been placed in a life threatening condition and immediate treatment is necessary to sustain life;

(11) "Impaired veterinarian program" means the Kentucky Veterinary Medical Association sponsored program for the identification, intervention, and monitoring of veterinarians impaired as a result of alcoholism, chemical dependence, or drug abuse;

(12) "Veterinary medical impairment committee" means a committee of the Kentucky Veterinary Medical Association, comprised of individuals who have expertise in the areas of alcoholism, chemical dependence, drug abuse, or physical or mental illness, that has been designated by the Kentucky Veterinary Medical Association to perform activities related to the impaired veterinarian program;

(13) "Veterinary technologist" means a person who has successfully completed an accredited program of veterinary technology approved by the board and who is registered in accordance with KRS 321.441;

(14) "Veterinary technician" means a person who has an associate degree related to veterinary sciences, or its equivalent as approved by the board, and who is registered in accordance with KRS 321.441;

(15) "Veterinary assistant" means a lay person employed by a licensed veterinarian in accordance with KRS 321.443;

(16) "Certified animal control agency" means a county or municipal animal shelter[~~, dog pound,~~] or animal control agency; private humane society; state, county, or municipal law enforcement agency; or any combination ***of those entities***[~~thereof~~] that temporarily houses stray, unwanted, or injured animals and that is certified under the provisions of KRS 321.207; and

(17) "Certified animal euthanasia specialist" means a person employed by a certified animal control agency who is authorized by the board, under KRS 321.207, to humanely euthanize animals by administering drugs designated by the board for euthanasia.

Section 34. KRS 436.605 is amended to read as follows:

(1) ***Animal control officers***[~~Dog wardens~~] and officers and agents of humane societies shall have the powers of peace officers

for the purpose of enforcing the provisions of the Kentucky Revised Statutes relating to cruelty and mistreatment of animals, provided they possess the qualifications required under KRS 61.300.

(2) Any peace officer, ***animal control officer,*** or any officer or agent of any society or association for the prevention of cruelty to animals duly incorporated under the laws of this Commonwealth, who ***makes an***[~~shall make~~] oath before any judge of a District Court that he has reasons to believe or does believe that an act of cruelty to animals is being committed in a building, barn***,*** or other enclosure, the[~~ said~~] judge shall[~~ thereupon on proof of demand having been made,~~] issue a search warrant directed to any peace officer, ***animal control officer,*** or any officer or agent of any society or association for the prevention of cruelty to animals duly incorporated under the laws of this Commonwealth or other peace officer to search the[~~ said~~] premises, and if upon ***the***[~~such~~] search it is found that an act of cruelty to animals is being perpetrated***,*** to ***immediately***[~~forthwith~~] arrest ***the***[~~such~~] offender or offenders and bring him or them before the[~~ said~~] court for trial.

Section 35. KRS 436.610 is amended to read as follows:

All animals of the same species, which are on the property when an animal is caused to fight for pleasure or profit, in violation of the provisions of KRS 525.125 and 525.130***,*** shall be confiscated and turned over to the county ***animal control officer employed as provided by***[~~dog warden appointed pursuant to~~] KRS 258.195, if there are reasonable grounds to believe that ***the***[~~such~~] animals were on the property for the purpose of fighting.

Section 36. KRS 525.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Desecrate" means defacing, damaging, polluting or otherwise physically mistreating in a way that the actor knows will outrage the sensibilities of persons likely to observe or discover his action.

(2) "Public" means affecting or likely to affect a substantial group of persons.

(3) "Public place" means a place to which the public or a substantial group of persons has access and includes but is not limited to highways, transportation facilities, schools, places of amusements, parks, places of business, playgrounds and hallways, lobbies and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence. An act is deemed to occur in a public place if it produces its offensive or proscribed consequences in a public place.

(4) "Transportation facility" means any conveyance, premises, or place used for or in connection with public passenger transportation by air, railroad, motor vehicle, or any other method. It includes aircraft, watercraft, railroad cars, buses, and air, boat, railroad, and bus terminals and stations and all appurtenances thereto.

(5) "Riot" means a public disturbance involving an assemblage of five (5) or more persons which by tumultuous and violent conduct creates grave danger of damage or injury to property or persons or substantially obstructs law enforcement or other government function.

(6) "Service animal" includes a:

   (a) "Bomb detection dog," which means a dog that is trained to locate bombs or explosives by scent;

   (b) "Narcotic detection dog," which means a dog that is trained to locate narcotics by scent;

   (c) "Patrol dog," which means a dog that is trained to protect a peace officer and to apprehend a person;

   (d) "Tracking dog," which means a dog that is trained to track and find a missing person, escaped inmate, or fleeing felon;

   (e) "Search and rescue dog," which means a dog that is trained to locate lost or missing persons, victims of natural or man-made disasters, and human bodies;

   (f) "Accelerant detection dog," which means a dog that is trained for accelerant detection, commonly referred to as arson canines;

   (g) "Cadaver dog," which means a dog that is trained to find human remains;

   (h) "***Assistance***[~~Guide~~] dog," which means any dog that is trained to meet the requirements of KRS 258.500;

   (i) Any dog that is trained in more than one (1) of the disciplines specified in paragraphs (a) to (h) of this subsection; or

   (j) "Police horse," which means any horse that is owned, or the service of which is employed, by a law enforcement agency for the principal purpose of aiding in detection of criminal activity, enforcement of laws, and apprehension of offenders.

Section 37. The following KRS sections are repealed:

258.025 Secretary may exempt dogs from vaccination.

258.115 Advisory committee.

258.125 Livestock fund created -- Expenditures -- Reversion of excess.

258.275 Liability for property loss or injury by dog or coyote -- Procedures for enforcing claims for damages.

258.285 Payments from livestock fund -- Subrogation of claimant's rights.

258.295 Payment by dog owner bars payment from livestock fund -- Maximum sums for certain livestock and poultry -- Appraisal value.

258.305 Compensation of dog owner where licensed dog is killed.

258.325 Confinement and destruction of dog found to have caused loss or damage to livestock, persons, or poultry -- Harborer of unlicensed dog forfeits rights in livestock fund.

258.345 Quarantine of dogs in case of excessive damage to livestock, poultry, or domestic game birds -- Destruction of dogs in violation of quarantine.

258.355 Nonliability of state for losses, injuries or destruction of livestock, poultry or dogs except claims arising after June 30, 1954.

258.991 Penalty.

The Committee Amendment No. 1 to **HB 576** is as follows:

On page 4, line 26, by bracketing and striking through "color, "; and

On page 13, line 7, by deleting "***state***"; and

On page 13, line 6, after "fees", by bracketing and striking through the remainder of the line and line 7 through "agents".

Calendar

HB 443, HB 595, HB 621, HJR 25, HCR 52, HCR 53, HCR 54, HCR 55, HCR 57, HCR 58, HCR 59, HCR 69, HB 281, HB 481, HB 572, HB 605, SB 68, HB 383, HB 428, HB 451, HB 523, HB 560, and **HJR 86** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Motions, Petitions, and Communications

Representative Ford moved that the rules be suspended to grant floor privileges and to act upon a Legislative Citation. Agreed.

Representative Ford moved the adoption of the following **Legislative Citation No. 39**.

The House of Representatives of the Commonwealth of Kentucky hereby offers its sincerest congratulations to the members of the Rockcastle County High School Football Team for outstanding athletic performance that resulted in this talented assemblage of athletes winning the district, regional and semi-state championship titles, finishing as runners-up in the 2001 KHSAA Class AAA State Football Tournament and completing the season with a remarkable record of 14-1. Inasmuch as the members of this celebrated team have enjoyed a stellar year and have brought great honor and esteem to both school and community by the effort put forth in this most worthwhile endeavor, the members of this distinguished body are delighted to join with Representative Danny Ford in commending the Rockcastle County High School Football Team for their tremendous athletic accomplishments and in extending best wishes for continued success and good fortune. Done in Frankfort, Kentucky, this fourteenth day of February, in the year two thousand and two.

Legislative Citation No. 39 was adopted without objection.

Recess

Representative Stumbo moved to suspend the rules to allow the House to recess for a Committee on Rules meeting. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions and Communications (Continued)

Representative Stumbo moved to suspend the rules to allow for a Rules Committee Report. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 470, HB 473, HB 200, HB 381, HB 457, HB 525, HB 526, HB 530, HB 531, HB 557, HB 599, HB 607, HCR 31, HR 107, HCR 109, HB 428, HB 572, HB 621, HCR 52, HCR 53, HCR 54, HCR 55, HCR 57, HCR 58,** and **HCR 59** have been posted for passage in the Orders of the Day for February 15, 2002.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 545**

State Government: **HB 590**

Orders of the Day

Representative Stumbo moved that **HB 314** be taken from the Clerk's Desk and placed in the Orders of the Day. Agreed.

HB 314, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day. Having previously received a third reading, Representative Stumbo moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Hoover moved the adoption of Floor Amendment 3 to the Committee Substitute to **HB 314**. Agreed.

Representative Lindsay moved the adoption of Floor Amendment 1 to the Committee Substitute to **HB 314**. Agreed.

Representative Adkins moved the adoption of Floor Amendment 2 to the Committee Substitute to **HB 314**. Agreed.

Representative Hoffman moved that **HB 314**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 86, Nays 8**. (See February 14, 2002, roll call on **HB 314** - Appendix.)

HB 314, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Hoffman moved that the vote by which **HB 314**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report On Enrolled Bills

The Committee on Enrollment reported that **HB 131** and **HB 282** have been examined and found correctly enrolled. Said Bills were read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time -2:55 p.m.)

Orders of the Day (Continued)

HB 73 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Belcher moved that **HB 73** be passed.

On the roll call the vote was: **Yeas 80, Nays 11**. (See February 14, 2002, roll call on **HB 73** - Appendix.)

HB 73 was passed and the title agreed to.

Representative L. Belcher moved that the vote by which **HB 73** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 247, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gooch moved the adoption of the Committee Substitute to **HB 247**. Agreed.

Representative Gooch moved that **HB 247**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 78, Nays 13**. (See February 14, 2002, roll call on **HB 247** - Appendix.)

HB 247, by way of Committee Substitute, was passed and the title agreed to.

Representative Gooch moved that the vote by which **HB 247**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 116 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weaver moved that **HB 116** be passed.

On the roll call the vote was: **Yeas 76, Nays 17**. (See February 14, 2002, roll call on **HB 116** - Appendix.)

HB 116 was passed and the title agreed to.

Representative Weaver moved that the vote by which **HB 116** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 284, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Callahan moved the adoption of the Committee Substitute to **HB 284**. Agreed.

Representative Callahan moved that **HB 284**, by way of Committee Substitute, be passed.

On the roll call the vote was: **Yeas 89, Nays 5**. (See February 14, 2002, roll call on **HB 284** - Appendix.)

HB 284, by way of Committee Substitute, was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 284**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Report On Enrolled Bills (Continued)

The Committee on Enrollment reported that **HB 131** and **HB 282** were delivered to the Senate and signed by the President. Delivered to the Governor on February 14, 2002, at 3:10 p.m.

Orders of the Day (Continued)

HB 574 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved that **HB 574** be passed.

On the roll call the vote was: **Yeas 94, Nays 1**. (See February 14, 2002, roll call on **HB 574** - Appendix.)

HB 574 was passed and the title agreed to.

Representative L. Clark moved that the vote by which **HB 574** was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, Communications (Continued)

Representative Stumbo moved that the rules be suspended for Introductions of Bills and Committee Reports. Agreed

Introduction of Bills and Resolutions (Continued)

HB 671, by Representative Gray: AN ACT relating to hunting and fishing regulation.

HB 672, by Representative J. Adams: AN ACT relating to war memorial commissions.

HB 673, by Representatives Burch and Richards: AN ACT relating to the Public Health Services Advisory Council.

HB 674, by Representative Baugh: AN ACT relating to group health insurance.

HB 675, by Representative Geveden: AN ACT relating to state government.

HB 676, by Representative Meeks: AN ACT relating to human remains and burial objects.

HB 677, by Representatives Marzian, Draud, Branham, Stein, Feeley, Wayne, and Westrom: AN ACT relating to revenue and taxation, and making an appropriation therefor.

HB 678, by Representative Bather: AN ACT relating to revenue and taxation.

HB 679, by Representatives Marzian, Feeley, Heleringer, Brinkman, Bather, P. Clark, Crimm, Burch, DeWeese, and Meeks: AN ACT relating to transient room tax.

HB 680, by Representative Smith: AN ACT relating to death benefits for police and firefighters in cities of the second and third class.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills have been posted for Committee consideration:

Banking and Insurance: **HB 554, HB 579, HB 649, SB 117**

Appropriations and Revenue: **HB 194, HB 395, HB 415, HB 634**

State Government: **HB 21, HB 289, HB 444, HB 584, HB 622, HB 624, HB 643, SB 45, SB 61, HB 487**

The Clerk announced that the following Bill has been withdrawn from posting for Committee consideration: **HB 214**

Motions, Petitions, and Communications (Continued)

Representative Gray moved to withdraw as the primary sponsor of **HB 623.** Agreed, consequently and the Bill was withdrawn.

Representative Sims moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Sims moved that her vote be changed from "nay" to "yea" on **HB 574**. Agreed.

Representative Sims moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Sims moved that her vote be changed from "yea" to "nay" on **HB 247**. Agreed.

Representative Stacy moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Stacy moved that his vote be changed from "yea" to "nay" on **HB 116**. Agreed.

Representative Nesler moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Nesler moved that his vote be changed from "nay" to "yea" on **HB 116**. Agreed.

Representative Smith moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Smith moved that he be recorded as voting "yea" on **HB 314**. Agreed.

Representative Nesler moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Nesler moved that he be recorded as voting "nay" on **HB 174**. Agreed.

Representative Wilkey moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Wilkey moved that he be recorded as voting "yea" on **HB 474**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 3 to the Committee Substitute to **HB 77**, by Representative Stumbo:

On page 1, line 3, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 1, line 5, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 1, line 6, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 1, delete the new language on lines 11 to 14 and insert in lieu thereof:

(c) 1. A beneficiary under an insurance policy, for the purpose of processing a claim related to the decedent's death; or

2. An insurance company, with the written permission of the decedent's spouse or personal representative, for the purpose of processing a claim related to the decedent's death;"; and

On page 1, line 19, after "***journal***" insert "***or textbook***" and delete "***and***"; and

On page 1, lines 20 to 22, delete "***who has received a favorable written recommendation from the commissioner of the Department of Criminal Justice Training***"; and

On page 1, line 22, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 1, line 23, delete the period and insert in lieu thereof "***;***"; and

On page 1, between lines 23 and 24, insert:

"***(g) A county attorney, Commonwealth's attorney, public health officer, or coroner for the purpose of using the autopsy photograph, other visual image in whatever form, video recording, or audio recording in bona fide training; and***

(h) A licensed attorney for the purpose of using the autopsy photograph, other visual image in whatever form, video recording, or audio recording in a Kentucky continuing legal education program."; and

On page 1, line 24, after "***(2)***", delete "***No***" and insert in lieu thereof "***(a) Except as provided in paragraph (b) of this subsection, no***"; and

On page 1, line 25, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 1, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, between lines 2 and 3, insert:

"***(b) A medical examiner, coroner, or other public official in lawful possession of an autopsy photograph, other visual image in whatever form, video recording, or audio recording, may, after redacting the decedent's name, address, and Social Security number, use such material for bona fide teaching or training or may, after redacting the decedent's name, address, and Social Security number, publish such material in a scientific journal or textbook.***"; and

On page 2, line 3, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 5, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 5, delete "***(f)***" and insert in lieu thereof "***(h)***"; and

On page 2, line 9, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 10, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 10, delete "***paragraphs (e) or (f)***" and insert in lieu thereof "***paragraph (e), (f), (g), or (h)***"; and

On page 2, line 12, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 18, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 20, delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 2, line 27, after "***photograph***", delete "***or video***" and insert in lieu thereof "***, other visual image in whatever form, video recording,***"; and

On page 3, line 5, after "***photograph***", delete "***or video recording***" and insert in lieu thereof "***, other visual image in whatever form, video recording, or audio recording***"; and

On page 4, delete lines 1 through 4 in their entirety, and insert in lieu thereof:

(4) (a) 1. Except as provided in subparagraph 2. of this paragraph, any violation of Section 1 of this Act by an individual other than the spouse, children, and surviving parents, or the personal representative of the decedent shall be fined not more than five hundred dollars ($500) for the first violation and not more than one thousand dollars ($1,000) for each subsequent violation.

2. Any violation of subsection (3) of Section 1 of this Act shall result in a fine which equals the greater of the appropriate fine provided for in subparagraph 1. of this paragraph or three (3) times any profits derived from violating subsection (3) of Section 1 of this Act.

(b) Any fine collected under paragraph (a) of this subsection shall be paid into the crime victims' compensation fund created under KRS 346.185."

Floor Amendment No. 4 Title to **HB 77**, by Representative Stumbo:

Amend title to read "AN ACT relating to autopsy records."

Floor Amendment No. 1 to the Committee Substitute to **HB 428**, by Representative Wilkey:

On page 3, line 2, delete all the new language and insert in lieu thereof: "*victim, his or her immediate family, or both.*"

Floor Amendment No. 2 to the Committee Substitute No. 2 to **HB 189**, by Representative Weaver:

On page 5, line 27, after the period "*.*" delete "*If circumstances*"; and

On page 6, lines 1 through 5, delete lines 1 through 5 in their entirety and insert in lieu thereof: "*An applicant for a CDL instruction permit may enroll in a commercial driver training program under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A, and may be issued a CDL instruction permit upon enrollment, however the status of the applicant retaining the CDL instruction permit*"; and

On page 6, line 6, delete "*CDL*"; and

On page 11, line 27, after the period "." insert "*Except as provided in subsection (6) of Section 8 of this Act,*" and by changing the word "Each" to a lower case word "each"; and

On page 15, line 17, after the period "." bracket and strike through the words "Subject to" and by changing the word "the" to an upper case word "The"; and

On page 15, line 18, after "KRS 281A.150" and before the comma "," insert "*notwithstanding*" and after the word "shall" insert "*not*".

Floor Amendment No. 1 to **SB 4**, by Representative Heleringer:

On page 3, line 6, after "violating" by bracketing and striking through "KRS 258.500" and inserting in lieu thereof "*subsection (2), (3), (4), (5), (6), or (12) of Section 1 of this Act*"; and

On page 3, line 9, after ".", by inserting "*No person shall be charged with a violation specified in this section if the requirements of subsection (8) of Section 1 of this Act are not met.*".

Floor Amendment No. 3 to **HB 104**, by Representative Westrom:

On page 1, after line 13, by inserting the following:

"*(3) In any claim for compensation for depression or other mental health conditions related thereto, by a legislator who has served in the Kentucky General Assembly for a least two (2) years, there shall be a presumption that the mental health condition is related to his or her employment as a legislator. If the legislator serves during a year in which redistricting occurs, there shall be an irrebuttable presumption that the mental health condition is related to his or her employment.*".

Floor Amendment No. 1 to **HB 572**, by Representative Meeks:

On page 4, line 23, delete "*as in*" and insert "*pursuant to*" in lieu thereof; and

On page 4, line 23, after "*13A*" insert "*as*"; and

On page 12, line 17, after "repealed" delete "," and insert "and"; and

On page 12, line 18, delete "and amended"; and

On page 12, line 19, remove brackets and strike-throughs to keep original language; and

On page 17, between lines 17 and 18, insert a new subsection *(2)* to read as follows:

"***(2) Prior to disinterment and proper reinterment of the body or cremated remains, the cemetery shall give reasonable notice to the next of kin of the deceased and, if requested, the owner of the burial space, informing them of the improper interment and when the disinterment and proper reinterment will take place.***"; and

On page 18, line 18, delete "*(2)*" and insert "*(3)*" in lieu thereof; and

On page 18, line 21, delete "*(3)*" and insert "*(4)*" in lieu thereof; and

On page 23, after line 6, insert a new Section 31 to read as follows:

SECTION 31. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

"***(1) Every cemetery shall keep sufficient records of the specific location of every burial or interment in the cemetery occurring after the effective date of this Act. These records shall be kept at the cemetery's principal place of business and made available to the family of the deceased and other persons as each cemetery may determine.***

(2) The records maintained shall be specific enough for an individual, after reviewing these records, to locate the specific grave, vault, tomb, crypt, or niche of an individual interred in that cemetery.

(3) Any cemetery or cemetery owner who violates subsection (1) of this section shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each offense.".

Floor Amendment No. 1 to the Committee Substitute to **HB 481**, by Representative Vincent:

On page 67, after line 16, by inserting:

"Section 62. KRS 304.39-210 is amended to read as follows:

(1) Basic and added reparation benefits are payable monthly as loss accrues. Loss accrues not when injury occurs, but as work loss, replacement services loss, or medical expense is incurred. Benefits are overdue if not paid within thirty (30) days after the reparation obligor receives reasonable proof of the fact and amount of loss realized, unless the reparation obligor elects to accumulate claims for periods not exceeding thirty-one (31) days after the reparation obligor receives reasonable proof of the fact and amount of loss realized, and pays them within fifteen (15) days after the period of accumulation. Notwithstanding any provision of this chapter to the contrary, benefits are not overdue if a reparation obligor has not made payment to a provider of services due to the request of a secured person when the secured person is directing the payment of benefits among the different elements of loss. If reasonable proof is supplied as to only part of a claim, and the part totals one hundred dollars ($100) or more, the part is overdue if not paid within the time provided by this section. Medical expense benefits may be paid by the reparation obligor directly to persons supplying products, services, or accommodations to the claimant, if the claimant so designates.

(2) Overdue payments bear interest at the rate of twelve percent (12%) per annum, except that if delay was without reasonable foundation the rate of interest shall be eighteen percent (18%) per annum.

(3) A claim for basic or added reparation benefits shall be paid without deduction for the benefits which are to be subtracted pursuant to the provisions on calculation of net loss if these benefits have not been paid to the claimant before the reparation benefits are overdue or the claim is paid. The reparation obligor is entitled to reimbursement from the person obligated to make the payments or from the claimant who actually receives the payments.

(4) A reparation obligor may bring an action to recover benefits which are not payable, but are in fact paid, because of an intentional misrepresentation of a material fact, upon which the reparation obligor relies, by the insured or by a person providing an item of medical expense. The action may be brought only against the person providing the item of medical expense, unless the insured has intentionally misrepresented the facts or knows of the misrepresentation. An insurer may offset amounts he is entitled to recover from the insured under this subsection against any basic or added reparation benefits otherwise due.

(5) A reparation obligor who rejects a claim for basic reparation benefits shall give to the claimant prompt written notice of the rejection, specifying the reason. If a claim is rejected for a reason other than that the person is not entitled to the basic reparation benefits claimed, the written notice shall inform the claimant that he may file his claim with the assigned claims bureau and shall give the name and address of the bureau.

(6) (a) The remedies under this subtitle are not exclusive and shall supplement any other remedies the insured may have, including remedies under KRS 304.12-230.

(b) In an action for overdue payments brought by an insured under this section, the trier of fact shall determine if the delay was without reasonable foundation. However, this does not prevent a proper motion under Rule 56 of the Kentucky Rules of Civil Procedure."; and

On page 67, line 17, by deleting "62" and inserting in lieu thereof "63".

Floor Amendment No. 2 to the Committee Substitute to **HB 481**, by Representative Damron:

On page 1, lines 5 and 6, by deleting "***shall not be subject to the Kentucky Open Records Act, KRS 61.872 to 61.884,***".

Floor Amendment No. 4 to **HB 452**, by Representative Barrows:

On page 2, line 2, after "***costs,***" insert "***then to restitution,***"; and
On page 5, line 1, after "***costs,***" insert "***then to restitution,***".

Floor Amendment No. 15 to the Committee Substitute to **HB 369**, by Representative Pullin:

On page 9, after line 1, by adding

"***(16) The monthly employee contribution to dependent plan coverage shall not exceed more than fourteen thousandths of one percent (.014%) of the federal poverty guidelines for a family of four (4) published annually by the United States Health and Human Services Cabinet.***".

Floor Amendment No. 16 to the Committee Substitute to **HB 369**, by Representative Pullin:

On page 9, after line 1, by adding

"***(16) Any carrier bidding to offer health care coverage under this section shall be required to bid on geographic areas of one million (1,000,000) persons or more as designated by the Personnel Cabinet.***

Floor Amendment No. 1 to **HB 381**, by Representative P. Clark:

On page 1, line 18, following, "***the search.***" to insert the following: "***The provisions of this section do not apply to any licensed long-term health care provider conducting a search for a missing resident until the provider requests a search by a person or organization specified in subsection (1) of this section.***"

Floor Amendment No. 17 to the Committee Substitute to **HB 369**, by Representative Upchurch:

On page 9, after line 1, by inserting:

"***(16) Any health insurance company or health maintenance organization providing group health insurance under this section shall annually pay to the Commonwealth an amount equal to the savings resulting from the utilization of the mail order pharmacy option provided for in this section. The savings shall be used by the Commonwealth to offset the cost of dependent health care coverage for members of the state group.***".

Floor Amendment No. 18 to the Committee Substitute to **HB 369**, by Representative Upchurch:

On page 9, after line 1 by inserting:

"***(16) When a prescription for a controlled substance as defined by KRS 218A.010(4) is delivered or caused to be delivered to a person within the Commonwealth by a pharmacy participating in a program authorized by this section, the pharmacist, the pharmacy's employee, or the pharmacy's agent shall verify the identity of the person taking physical possession of the controlled substance by one (1) of the following methods:***

(a) Knowing the person;

(b) Requiring the presentation of photo identification; or

(c) Requiring the presentation of two (2) forms of identification, one (1) of which is government-issued.".

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills:

HB 22, Representative Hoffman

HB 381, Representative Siler

HB 496, Representative Cherry

HB 567, Representative L. Clark

HB 600, Representative Wayne

HB 652, Representatives Hoover and Siler

HB 653, Representative Vincent

HB 677, Representative Bather.

Announcements

The following meetings were announced:

Labor and Industry: Tuesday, February 19, 2002, at noon canceled

Budget Review Subcommittee on Human Resources: Tuesday, February 19, 2002, at 1:00 p.m., Room 131

Natural Resources and Environment: Tuesday, February 19, 2002, canceled

Adjournment

Representative Stumbo moved that the House adjourn until 9:00 a.m., on Friday, February 15, 2002.

The motion that the House adjourn until 9:00 a.m., Friday, February 15, 2002, was adopted by voice vote.

FRIDAY, FEBRUARY 15, 2002

TWENTY-EIGHT LEGISLATIVE DAY

The House was called to order by Speaker Richards.

Prayer by Brother Mike Yeast, Kenwood Heights Christian Church, Louisville, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Bather, Branham, De. Butler, Collins, Colter, Draud, Haydon, Marzian, Stein, Stumbo, Walton, and Westrom.

Representative Ballard moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Ballard moved that the reading of the Journal of Thursday, February 14, 2002, be dispensed with and the same approved. Agreed.

Representative Ballard moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Ballard moved that all properly filed co-sponsor requests be approved. Agreed.

Senate Message

Announced passage of **SB 107, SB 112, SB 121, SB 128, SB 129, SB 134, SB 138, SB 141, SB 149, SB 183, SB 170,** and **HCR 19**

Message received in regard to **HB 103**: The Senate has passed **HB 103** with the following Senate Floor Amendment No. 2, and respectfully requests concurrence of this Honorable Body. (Time 9:10 a.m.)

Introduction of Bills and Resolutions

HB 681, by Representative Moberly: AN ACT relating to education research.

HB 682, by Representatives Branham, Thomas, and Wilkey: AN ACT relating to cigarette sales.

HB 683, by Representative Treesh: AN ACT relating to biotechnology development.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills:

Appropriations and Revenue: **HB 677, 678**

Banking and Insurance: **HB 674**

Education: **SB 131, 147**

Health and Welfare: **HB 673, SB 153**

Judiciary: **HB 670**

Licensing and Occupations: **HB 676**

Local Government: **HB 679, 680**

Seniors, Military Affairs and Public Safety: **HB 672**

State Government: **HB 675**

Tourism Development and Energy: **HB 671**

Report of Committees

The Committee on Rules reported that **HB 16, HB 166, HB 378, HB 520,** and **HB 559** have been posted for passage in the Orders of the Day for February 19, 2002.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Education: **HB 126, HB 637, HB 653, SB 74, HB 529, HB 502**

Election, Constitutional Amendments, and Intergovernmental Affairs: **HB 588**

Natural Resources and Environment: **HB 575**

Calendar

HB 222, HB 249, HB 455, HB 617, SB 4, SB 89, HB 535, HB 611, HJR 94, HCR 104, HB 469, HB 519, HB 540, HB 542, and **HB 576.** taken from the Calendar and ordered read at length for the second time. Representative Barrows moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 189, with Committee Substitutes and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weaver moved the adoption of the Committee Substitute No. 1 to **HB 189**. Agreed.

Representative Weaver moved the adoption of the Committee Substitute No. 2 to **HB 189**. Agreed.

Representative Vincent moved the adoption of Floor Amendment 1 to the Committee Substitute No. 2 to **HB 189**. Agreed.

Representative Weaver moved the adoption of Floor Amendment 2 to the Committee Substitute No. 2 to **HB 189**. Agreed.

Representative Weaver moved that **HB 189**, by way of Committee Substitute No. 2, as amended, be passed.

Representative Weaver moved that Committee Substitute No. 1 be revoked. Agreed.

On the roll call the vote was: **Yeas 81, Nays 0**. (See February 15, 2002, roll call on **HB 189** - Appendix.)

HB 189, by way of Committee Substitute No. 2, as amended, was passed and the title agreed to.

Representative Weaver moved that the vote by which **HB 189**, by way of Committee Substitute No. 2, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 190, with Committee Substitutes attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Weaver moved the adoption of the Committee Substitute No. 2 to **HB 190**. Agreed.

Representative Weaver moved that **HB 190**, by way of Committee Substitute no. 2, be passed.

On the roll call the vote was: **Yeas 84, Nays 0**. (See February 15, 2002, roll call on **HB 190** - Appendix.)

HB 190, by way of Committee Substitute No. 2, was passed and the title agreed to.

Representative Weaver moved that the vote by which **HB 190**, by way of Committee SubstituteNo. 2, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 198, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Heleringer moved the adoption of the Committee Substitute to **HB 198**. Agreed.

Representative Heleringer moved the adoption of Floor Amendment 1 to the Committee Substitute to **HB 198**. Agreed.

Representative Heleringer moved that **HB 198**, by way of Committee Substitute, as amended, be passed.

On the roll call the vote was: **Yeas 82, Nays 0**. (See February 15, 2002, roll call on **HB 198** - Appendix.)

HB 198, by way of Committee Substitute, as amended, was passed and the title agreed to.

Representative Heleringer moved that the vote by which **HB 198**, by way of Committee Substitute, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message (Continued)

Message received in regard to **HB 283**: The Senate has passed **HB 283**, by way of Committee Substitute and respectfully requests concurrence of this Honorable Body. (Time 9:25 a.m.)

Orders of the Day (Continued)

HB 436 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative R. Adams moved that **HB 436** be passed.

On the roll call the vote was: **Yeas 82, Nays 0**. (See February 15, 2002, roll call on **HB 436** - Appendix.)

HB 436 was passed and the title agreed to.

Representative R. Adams moved that the vote by which **HB 436** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 473 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative R. Adams moved that **HB 473** be passed.

On the roll call the vote was: **Yeas 82, Nays 0**. (See February 15, 2002, roll call on **HB 473** - Appendix.)

HB 473 was passed and the title agreed to.

Representative R. Adams moved that the vote by which **HB 473** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 621 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HB 621** be passed.

On the roll call the vote was: **Yeas 84, Nays 0**. (See February 15, 2002, roll call on **HB 621** - Appendix.)

HB 621 was passed and the title agreed to.

Representative Rasche moved that the vote by which **HB 621** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 52 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HCR 52** be adopted.

On the roll call the vote was: **Yeas 81, Nays 0**. (See February 15, 2002, roll call on **HCR 52** - Appendix.)

HCR 52 was adopted.

Representative Rasche moved that the vote by which **HCR 52** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 53 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HCR 53** be adopted.

On the roll call the vote was: **Yeas 79, Nays 0**. (See February 15, 2002, roll call on **HCR 53** - Appendix.)

HCR 53 was adopted.

Representative Rasche moved that the vote by which **HCR 53** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 54 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HCR 54** be adopted.

On the roll call the vote was: **Yeas 81, Nays 0**. (See February 15, 2002, roll call on **HCR 54** - Appendix.)

HCR 54 was adopted.

Representative Rasche moved that the vote by which **HCR 54** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 55 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HCR 55** be adopted.

On the roll call the vote was: **Yeas 80, Nays 0**. (See February 15, 2002, roll call on **HCR 55** - Appendix.)

HCR 55 was adopted.

Representative Rasche moved that the vote by which **HCR 55** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 57 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HCR 57** be adopted.

On the roll call the vote was: **Yeas 82, Nays 0**. (See February 15, 2002, roll call on **HCR 57** - Appendix.)

HCR 57 was adopted.

Representative Rasche moved that the vote by which **HCR 57** was adopted be reconsidered and said motion be placed on the table. Agreed.

Report On Enrolled Bills

The Committee on Enrollment reported that **HCR 19** has been examined and found correctly enrolled. Said Resolution was read at length, compared and signed in open session by the Speaker. (Time -9:40 a.m.)

Orders of the Day (Continued)

HCR 58 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HCR 58** be adopted.

On the roll call the vote was: **Yeas 84, Nays 0**. (See February 15, 2002, roll call on **HCR 58** - Appendix.)

HCR 58 was adopted.

Representative Rasche moved that the vote by which **HCR 58** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 59 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rasche moved that **HCR 59** be adopted.

On the roll call the vote was: **Yeas 83, Nays 0**. (See February 15, 2002, roll call on **HCR 59** - Appendix.)

HCR 59 was adopted.

Representative Rasche moved that the vote by which **HCR 59** was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 109 with Committee Substitute taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of the Committee Substitute to **HCR 109**. Agreed.

Representative Barrows moved that **HCR 109**, by way of Committee Substitute, be adopted.

On the roll call the vote was: **Yeas 83, Nays 0**. (See February 15, 2002, roll call on **HCR 109** - Appendix.)

HCR 109, by way of Committee Substitute was adopted.

Representative Barrows moved that the vote by which **HCR 109**, by way of Committee Substitute, was adopted be reconsidered and said motion be placed on the table. Agreed.

Report On Enrolled Bills

The Committee on Enrollment reported **HCR 19** was delivered to the Senate and signed by the President. Delivered to the Governor on February 15, 2002, at 9:50 a.m.

Orders of the Day (Continued)

HB 526, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Committee Amendment No. 1 to **HB 526**. Agreed.

Representative Barrows moved that **HB 526**, as amended, be passed.

On the roll call the vote was: **Yeas 82, Nays 0**. (See February 15, 2002, roll call on **HB 526** - Appendix.)

HB 526, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 526**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 470, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Arnold moved the adoption of Committee Amendment No. 1 to **HB 470**. Agreed.

Representative A. Arnold moved that **HB 470**, as amended, be passed.

On the roll call the vote was: **Yeas 84, Nays 0**. (See February 15, 2002, roll call on **HB 470** - Appendix.)

HB 470, as amended, was passed and the title agreed to.

Representative A. Arnold moved that the vote by which **HB 470**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 381, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Clark moved the adoption of Floor Amendment No. 1 to **HB 381**. Agreed.

Representative P. Clark moved that **HB 381**, as amended, be passed.

On the roll call the vote was: **Yeas 83, Nays 0**. (See February 15, 2002, roll call on **HB 381** - Appendix.)

HB 381, as amended, was passed and the title agreed to.

Representative P. Clark moved that the vote by which **HB 381**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 457, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative C. Belcher moved the adoption of Committee Amendment No. 1 to **HB 457**. Agreed.

Representative C. Belcher moved that **HB 457**, as amended, be passed.

On the roll call the vote was: **Yeas 85, Nays 0**. (See Februrary 15, 2002, roll call on **HB 457** - Appendix.)

HB 457, as amended, was passed and the title agreed to.

Representative C. Belcher moved that the vote by which **HB 457**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 531 taken from the Orders of the Day and ordered read at length for the third time. Representative Barrows moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Treesh moved that **HB 531** be passed.

On the roll call the vote was: **Yeas 82, Nays 0**. (See February 15, 2002, roll call on **HB 531** - Appendix.)

HB 531 was passed and the title agreed to.

Representative Treesh moved that the vote by which **HB 531** was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions, and Communications (Continued)

Representative Barrows moved that the rules be suspended for Introductions of Bills and Committee Reports. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 684, by Representative Damron: AN ACT relating to student financial aid.

HB 685, by Representatives Ford, Palumbo, S. Lee, Webb, Crall, Mobley, Kerr, Hoover, Rader, and Childers: AN ACT relating to salvage title assignments for insurance companies.

HB 686, by Representative Moberly: AN ACT relating to the qualifications of Kentucky Board of Education members.

HR 141, by Representative Stumbo: A RESOLUTION adjourning the House of Representatives in loving memory and honor of Johnnie Collins.

HR 142, by Representatives Palumbo, Stumbo, Barrows, Callahan, Moberly, Richards, L. Clark, Nunn, Coleman, Lindsay, Adkins, Webb, Westrom, S. Lee, Bowling, Bruce, Damron, C. Belcher, Rasche, J. Turner, Stacy, Stein, Geveden, Cherry, Hoover, Ford, Feeley, Draud, Pasley, Denham, and McKee: A RESOLUTION adjourning the House of Representatives in honor of Dr. Lee T. Todd, Jr., upon the occasion of his Inauguration as the eleventh President of the University of Kentucky on February 15, 2002.

Posting of Bills for Consideration (Continued)

The Clerk announced that the following Bills have been posted for Committee consideration:

Education: **HB 626**

State Government: **HB 659, HB 648**

Motions, Petitions, and Communications (Continued)

Representative Barrows moved the adoption of the following **HR 141**:

HR 141, A RESOLUTION adjourning the House of Representatives in loving memory and honor of Johnnie Collins.

With deepest respect and admiration, we pay homage and tribute to Johnnie Collins, the late father of our friend and colleague, Representative Hubert Collins, and we pause in silent reverence for his soul.

WHEREAS, Johnnie Collins, a native of Johnson County, Kentucky, and longtime resident of Riceville, was born on February 11, 1907, and he traversed these earthly bounds on February 13, 2002; and

WHEREAS, Johnnie Collins was the loving son of the late Sonnie and Jane Conley Collins, he was the devoted husband of the late Nola Spradlin Collins, he was the loving father of two sons, Hubert Collins and James Collins, and the loving father of two daughters, Emma Hughes Harris and Carol Magnifico; and he was the proud paternal ancestor of eight grandchildren, thirteen great-grandchildren, and five great-great grandchildren; and

WHEREAS, the passing of Johnnie Collins has left a void that cannot be filled, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby express its utter sense of bereavement upon the passing of Johnnie Collins, and extends to his family and many friends its most profound and deepest sympathy. His funeral services will be held on Saturday, February 16, 2002, at 12:00 Noon in the Chapel of the Paintsville Funeral Home with burial in the Collins Cemetery in Riceville.

Section 2. When the House of Representatives adjourns this day, it does so in loving memory and honor of Johnnie Collins.

Section 3. The Clerk of the House is hereby directed to transmit a copy of this Resolution to the Honorable Hubert Collins, 72 Collins Drive, Wittensville, Kentucky 41274.

There being no objection **HR 141** was adopted.

Representative Barrows moved that a call of the roll be taken to show co-sponsors of **HR 141.**

On the roll call for co-sponsors of **HR 141** the vote was: **Yeas 78.** (See February 15, 2002, roll call to show co-sponsors on **HR 141** - Appendix.)

Speaker Pro Tem Larry Clark assumed the Chair.

Representative Palumbo moved the adoption of the following **HR 142**:

HR 142, A RESOLUTION adjourning the House of Representatives in honor of Dr. Lee T. Todd, Jr., upon the occasion of his Inauguration as the eleventh President of the University of Kentucky on February 15, 2002.

WHEREAS, it is appropriate from time to time for this honorable body to reflect upon the contributions of special Kentuckians who have enriched the lives of so many people; and

WHEREAS, Dr. Lee T. Todd, Jr., a native of Hopkins County, Kentucky, graduated from the University of Kentucky in 1968 with a Bachelor of Science degree in electrical engineering; he was awarded the John and Fannie Hertz Foundation Fellowship to attend the prestigious Massachusetts Institute of Technology where he earned his M.S. and Ph.D. degrees in electrical engineering, and during this time, he also received six U. S. patents in the area of high-resolution display technology; and

WHEREAS, Dr. Lee T. Todd, Jr. has had an impressive academic career, beginning in 1974 as a University of Kentucky professor in the electrical engineering department, where he taught and conducted research for nine years, and during which time he published numerous research articles and gave many conference presentations; he served on the University Senate for seven years, the President's Advisory Committee, and he chaired the College of Engineering Dean Search Committee; and he was the recipient of several teaching awards, including the University of Kentucky Alumni Association Great Teacher Award, and he was inducted into the University of Kentucky's Engineering Hall of Distinction; and

WHEREAS, Dr. Lee T. Todd, Jr. has distinguished himself professionally in the private sector as well by creating Projection, Inc., DataBeam Corporation, and co-founding the Kentucky Science and Technology Corporation, and the effectiveness of leadership he provided to these companies was due to the intellectual quality of the decisions he made, and during his tenure in the private sector, he was ever mindful to involve University of Kentucky engineering and computer science graduates in valuable research projects; and

WHEREAS, when we reflect upon the contributions Dr. Lee T. Todd, Jr. has tirelessly given to the citizens of this Commonwealth throughout his academic and private sector careers, we are reminded that ethics and integrity have played a large part in his achievements, and as an advocate of education reform in Kentucky, he has unselfishly shared his wisdom and knowledge, and has proven to be a true visionary; and

WHEREAS, Dr. Lee T. Todd, Jr., as President of the University of Kentucky, brings with him a loving and devoted wife, Patricia Brantley Todd, who has the ability to interact with others at all levels, and she has been openly accepted by the students, faculty, and staff of the University of Kentucky; and

WHEREAS, the Inauguration of Dr. Lee T. Todd, Jr., as the eleventh President of the University of Kentucky will be held at 11:00 A.M. on Friday, February 15, 2002, at Memorial Coliseum on the University of Kentucky campus in Lexington, Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby congratulate and applaud Dr. Lee T. Todd, Jr. upon his Inauguration as the eleventh President of the University of Kentucky on Friday, February 15, 2002, and we wish to him continued success in all future endeavors.

Section 2. The House of Representatives does hereby congratulate and applaud Dr. Lee T. Todd, Jr. upon his Inauguration as the eleventh President of the University of Kentucky on Friday, February 15, 2002, and we wish to him continued success in all future endeavors.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Dr. Lee T. Todd, Jr., Maxwell Place, 471 Rose Street, Lexington, Kentucky 40508-3311.

There being no objection **HR 142** was adopted.

Representative Palumbo moved that a call of the roll be taken to show co-sponsors of **HR 142.**

On the roll call for co-sponsors of **HR 142** the vote was: **Yeas 66**. (See February 15, 2002, roll call to show co-sponsors on **HR 142** - Appendix.)

Representative Crenshaw moved the adoption of the following **Legislative Citation No. 40**. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and honors the esteemed members of the Delta Sigma Theta Sorority, Incorporated and welcomes this outstanding public service organization as its members travel to Frankfort, Kentucky, to attend the 2002 "Delta Day at the Capitol." Hailing from twelve of the sorority's chapters across the Commonwealth, these college-educated women have joined together on this occasion to learn about and to voice a collective concern for the laws, programs, and practices that affect the health, education, and welfare of all Kentucky citizens, most especially those who are African American. A national public service organization founded at Howard University in Washington, D.C., on January 13, 1913, the Delta Sigma Theta Sorority has continually brought together educated women in a coordinated effort to provide an extensive array of public services through the Five Point Program Thrust, consisting of Economic Development, Educational Development, International Awareness and Involvement, Physical and Mental Health, and Political Awareness and Involvement. Inasmuch as this distinguished organization is comprised of some of Kentucky's best and brightest who are applauded for their willingness to give of those personal offerings that make a difference in the lives of others, the members of this august body are delighted to join Representative Jesse Crenshaw in extending an enthusiastic welcome to the members of the Delta Sigma Theta Sorority upon their visit to the Capitol during the Regular Session of the 2002 Kentucky General Assembly and in offering them sincere best wishes for success as they continue to work for the common good. Done in Frankfort, Kentucky, this fifteenth day of February, in the year two thousand and two.

Legislative Citation No. 40 was adopted without objection.

Representative J. Turner moved the adoption of the following **Legislative Citation No. 41**.

The House of Representatives of the Commonwealth of Kentucky does hereby adjourn this legislative day in memory and honor of Jerry Miniard and joins with Representative Johnnie L. Turner in expressing deepest sympathy to the Miniard Family and all who share in the loss on the passing of this distinguished and highly-regarded gentleman. The son of John I. and the late Mossie Lewis Miniard, he is survived by his former wife, Wanda Miniard; his beloved children, Jerry Christopher Miniard and Shalena Rachelle Varner; his adoring grandchildren, Christie Hope, MaRanda Joy and William Shane; loving siblings, Jack, Evelyn, Betty and Charlotte; and a host of other relatives and friends. A lifelong resident of Harlan County, Mr. Miniard was a retired/disabled veteran of the United States Army, a National Rifle Association personal protection and pistol instructor, a master hunter education instructor and a concealed deadly weapons instructor and trainer. In addition, he labored with great integrity as a board member of the Cumberland Valley Area Development District, a member of the Area Agency on Aging advisory committee and as a member of the National Wild Turkey Federation. Honored and remembered on this day for the many lasting contributions he made to his family and community and for the lifetime of cherished memories he leaves with his many friends, especially those with his best friend, Representative Johnnie L. Turner, Jerry Miniard will be deeply missed and forever held dear in the hearts of those who had the good fortune of knowing him. Done in Frankfort, Kentucky, this fifteenth day of February, in the year two thousand and two.

Legislative Citation No. 41 was adopted without objection.

Representative J. Turner moved that a call of the roll be taken to show co-sponsors of **Legislative Citation No. 41.**

On the roll call for co-sponsors of **Legislative Citation No. 41** the vote was: **Yeas 56**. (See February 15, 2002, roll call to show co-sponsors on **Legislative Citation No. 41.** - Appendix.)

Representative Riner moved to suspend the rules to introduce and act on Resolutions.

Introduction of Bills and Resolutions (Continued)

HR 143, by Representative Riner: A RESOLUTION adjourning the House of Representatives in honor of Jeff Friend.

HR 144, by Representative Riner: A RESOLUTION honoring and thanking the faculty and staff of Jefferson Community College for making selfless sacrifices to improve the institutional effectiveness and educational excellence of Jefferson Community College.

HR 145, by Representative Riner: A RESOLUTION adjourning the House of Representative in honor of Dr. Mark Wilburn.

HR 146, by Representative Riner: A RESOLUTION adjourning the House of Representatives in honor of Phillip Kash.

Motions, Petitions, and Communications (Continued)

Representative Riner moved the adoption of the following **HR 143**:

HR 143, A RESOLUTION adjourning the House of Representatives in honor of Jeff Friend.

WHEREAS, Jeff Friend received his Master of Arts degree in Mathematics from the University of Louisville, is a member of the Kentucky Mathematical Association of Two-Year Colleges, and is a member of the Kentucky Association for Developmental Education; and

WHEREAS, Jeff Friend holds the title of Assistant Professor of Mathematics at Jefferson Community College where he is a very popular math instructor, adviser to students, and personally assists them on their intellectual and academic pursuits at the college in furthering their education at four-year institutions of higher education, is a faculty advisor for the Jefferson Community College Chapter of Phi Theta Kappa, served on the Jefferson Community College Program Development Committee for two years, and was the chairman of the committee the second year; and

WHEREAS, Jeff Friend has been a volunteer worker and presenter to school groups at the Louisville Science Center, was a volunteer worker at the National Association of Developmental Educators (NADE) Conference which was held in Louisville in the Spring of 2001, has served as a judge at the Louisville Regional Science Fair, has volunteered to work at the Intel International Science and Engineering Fair to be held in Louisville in May 2002, and is also a tutor at Bellewood Presbyterian Home for Children; and

WHEREAS, by demonstrating a true servant's heart, Jeff Friend has exemplified the Apostle Paul's admonition to the Church at Rome: "We then that are strong ought to bear the infirmities of the weak, and not to please ourselves. Let every one of us please his neighbour for his good to edification. For even Christ pleased not Himself; but, as it is written, The reproaches of them that reproached Thee fell on me." Romans 15:1-3;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby honor and commend Jeff Friend for his selfless example and his dedicated service to Jefferson Community College. We thank him for his many contributions to further educational excellence, and we wish to Jeff Friend God's blessing.

Section 2. When the House of Representatives adjourns this 15th Day of February in the year of our Lord 2002, it does so in honor of Jeff Friend.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Dr. Larry Tyre, President of Jefferson Community College, 109 East Broadway, Louisville, Kentucky 40202.

There being no objection **HR 143** was adopted.

Representative Riner moved the adoption of the following **HR 144**:

HR 144, A RESOLUTION honoring and thanking the faculty and staff of Jefferson Community College for making selfless sacrifices to improve the institutional effectiveness and educational excellence of Jefferson Community College.

WHEREAS, it is the responsibility of this body to acknowledge the contributions of virtuous individuals within the Commonwealth; and

WHEREAS, the Jefferson Community College faculty and staff have served their students and public for thirty-four years; and

WHEREAS, over the past several years the faculty and staff have demonstrated courage, a high degree of institutional integrity, and a tremendous concern for the welfare of the students by dutifully reporting to the president of the community college system significant problems relating to budget management; and

WHEREAS, recently Jefferson Community College has been challenged by the Southern Association of Colleges and Schools to improve its institutional effectiveness; and

WHEREAS, in response to the challenge, the Jefferson Community College staff and faculty have contributed countless hours of effort and work to examine the institution and find ways to improve it; and

WHEREAS, now faced with extreme budget constraints, the Jefferson Community College faculty, and staff have made personal sacrifices and willingly contributed their own personal resources of time, food, materials, and more to maintain educational quality and improve effectiveness; and

WHEREAS, the faculty and staff of Jefferson Community College have exemplified the Apostle Paul's admonitions to the Church at Rome: "We then that are strong ought to bear the infirmities of the weak, and not to please ourselves. Let every one of us please his neighbour for his good to edification. For even Christ pleased not Himself; but, as it is written, The reproaches of them that reproached Thee fell on me." Romans 15:1-3;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives recognizes and honors the faculty and staff of Jefferson Community College for courage, integrity, and extraordinary commitment to the institution, the students, and to the public they serve.

Section 2. When the House of Representatives adjourns this 15th day of February in the year of our Lord 2002, it does so in honor of the faculty and staff of Jefferson Community College.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to President Mike McCall, Kentucky Community and Technical College System, 2624 Research Park Drive, P. O. Box 14092, Lexington, Kentucky 40512-4092.

There being no objection **HR 144** was adopted.

Representative Riner moved the adoption of the following **HR 145**:

HR 145, A RESOLUTION adjourning the House of Representatives in honor of Dr. Mark Wilburn.

WHEREAS, Dr. Mark Wilburn has been a member of the Jefferson Community College faculty since 1986, and holds Full Professor of History status at the college; and

WHEREAS, Dr. Mark Wilburn is a very popular and dedicated teacher and adviser to students, and personally assists students in their intellectual and academic pursuits at the College and in furthering their education at four-year, masters, and doctoral institutions of higher education; and

WHEREAS, Dr. Mark Wilburn has served as vice chairman of the Jefferson Community College Faculty Council for two years, while contributing countless hours to problem solving and coordinating the important work of the faculty and its committees; and has also served as the faculty representative to the system-wide Faculty Council; and

WHEREAS, Dr. Mark Wilburn was elected as the first president of the Kentucky Community College Faculty/Staff Alliance-AFT 6010, and has served in this unpaid position since 1997. As president, Dr. Wilburn oversees the functioning of the organization; assists members in helping to resolve work-related problems, and addresses problematic issues and situations within the colleges with college and system administrators, legislators and public officials, attorneys, and others to attempt to improve the educational environment for students and the working environment for staff and faculty; and, through the organization he leads, strives to improve the educational quality of Kentucky's community colleges; and

WHEREAS, Dr. Mark Wilburn serves as a volunteer board member for the United Methodist Church, Wesley Foundation, Interfaith Center at the University of Louisville; and has served as a Little League Coach in his community; and

WHEREAS by demonstrating a true servant's heart Dr. Mark Wilburn has exemplified the Apostle Paul's admonition to the Church at Rome: "We then that are strong ought to bear the infirmities of the weak, and not to please ourselves. Let every one of us please his neighbour for his good to edification. For even Christ pleased not Himself; but, as it is written, The reproaches of them that reproached Thee fell on me." Romans 15:1-3; and

WHEREAS, because of his many contributions, Jefferson Community College presented Dr. Mark Wilburn with the 1998 Distinguished Educator award;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby honor and commend Dr. Mark Wilburn for his excellent example and his years of dedicated service to Jefferson Community College, its faculty, staff, and students. We thank him for his many contributions to further educational excellence, and we wish to Dr. Wilburn God's blessing.

Section 2. When the House of Representatives adjourns this 15th day of February in the year of our Lord 2002, it does so in honor of Dr. Mark Wilburn.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Dr. Larry Tyre, President of Jefferson Community College, 109 E. Broadway, Louisville, Kentucky 40202, for presentation to Dr. Mark Wilburn.

There being no objection **HR 145** was adopted.

Representative Riner moved the adoption of the following **HR 146**:

HR 146, A RESOLUTION adjourning the House of Representatives in honor of Phillip Kash.

WHEREAS, Phillip Kash received his Ph.D. in Chemistry from the University of Chicago, is a member of the American Chemical Society, and has written two chemistry laboratory manuals; and

WHEREAS, Phillip Kash holds the title of Assistant Professor of Chemistry at Jefferson Community College and is Chemistry Program Coordinator at the Downtown campus, and has also served on the Jefferson Community College Rules Committee for two years; and

WHEREAS, Phillip Kash is a highly respected and dedicated teacher, advisor to students, and personally assists them in their intellectual and academic pursuits at the College and in furthering their education at four-year institutions of higher education; and

WHEREAS, by demonstrating a true servant's heart, Phillip Kash has exemplified the Apostle Paul's admonition to the Church at Rome: "We then that are strong ought to bear the infirmities of the weak, and not to please ourselves. Let every one of us please his neighbour for his good to edification. For even Christ pleased not Himself; but, as it is written, The reproaches of them that reproached Thee fell on me." Romans 15:1-3; and

WHEREAS, Phillip Kash has been a volunteer worker for the Science Olympiad, was a volunteer worker at the National Association of Developmental Educators (NADE) Conference which was held in Louisville in the Spring of 2001, has served as a judge at the Louisville Regional Science Fair, has volunteered to be a chemistry judge at the Intel International Science and Engineering Fair to be held in Louisville in May 2002, and is also a tutor at the Bellewood Presbyterian Home for Children;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives does hereby honor and commend Phillip Kash for his dedicated service to Jefferson Community College. We thank him for his many contributions to further educational excellence, and we wish him God's blessing.

Section 2. When the House of Representatives adjourns this 15th day of February in the year of our Lord, 2002, it does so in honor of Phillip Kash.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to Dr. Larry Tyre, President of Jefferson Community College, 109 East Broadway, Louisville, Kentucky 40202, for presentation to Phillip Kash.

There being no objection **HR 146** was adopted.

Representative Reinhardt moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Reinhardt moved that his vote be changed from "nay" to "yea" on **HB 73**. Agreed.

Representative Stacy moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Stacy moved that he be recorded as voting "yea" on **HB 189**. Agreed.

Representative Crimm moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Crimm moved that he be recorded as voting "yea" on **HB 189**. Agreed.

Representative Kerr moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Kerr moved that he be recorded as voting "yea" on **HR 55**. Agreed.

Representative Ballard moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Ballard moved that he be recorded as voting "yea" on **HR 141**. Agreed.

Representative Sims moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Sims moved that she be recorded as voting "yea" on **HB 198**. Agreed.

Representative Feeley moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Feeley moved that he be recorded as voting "yea" on **HR 141**. Agreed.

Representative J. Turner moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative J. Turner moved that his vote be changed from "nay" to "yea" on **SB 54**. Agreed.

Representative Crenshaw moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Crenshaw moved that he be recorded as voting "yea" on **HB 189, HB 190, HB 198, HB 436,** and **HB 473**. Agreed.

Representative Palumbo moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Palumbo moved that she be recorded as voting "yea" on **HB 381** and **HB 473**. Agreed.

Floor Amendments

The Clerk announced the filing of the following Floor Amendments:

Floor Amendment No. 1 to **HB 560**, by Representative Ballard:

On page 1, line 15, following "license." to insert "*The Department of State Police shall devise a separate application for a person who holds a valid concealed deadly weapon license in another state to apply for a license pursuant to this paragraph. The Department of State Police shall provide to each sheriff sufficient copies of a brochure describing Kentucky law relating to carrying concealed deadly weapons and use of force. When the applicant receives his or her license he or she shall certify on a Department of State Police supplied receipt for the license that the applicant has read, understands, and will abide by the provisions of Kentucky law with which he or she has they have been supplied. The sheriff shall send the receipt to the Kentucky State Police upon its completion.*"

Floor Amendment No. 1 to the Committee Substitute to **HB 165**, by Representative Riggs:

On page 18, line 4, by inserting "[" before "," and striking through the remainder of the line; and

On page 18, line 5, by striking through "by an insurer authorized to write business in this Commonwealth," and by placing "]" after ","; and

On page 18, line 11, after "3." by inserting:

> "*Deposited with the commissioner a cash surety bond executed by an insurer authorized to write business in this Commonwealth, which shall be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his or her capacity as an agent, in the sum of one hundred thousand dollars ($100,000); or*
>
> *4. Deposited with the commissioner a cash surety bond executed by an insurer authorized to write business in this Commonwealth, which shall be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his or her capacity as an agent, in the sum of twenty thousand dollars ($20,000) only if*

the individual transacts insurance under a limited line credit line of authority, and

a. Through a KRS Chapter 288 consumer loan company, which holds no other license issued by the Kentucky Department of Financial Institutions,

b. Through a KRS Chapter 291 industrial loan company, which holds no other license issued by the Kentucky Department of Financial Institutions, or

c. Through a KRS Chapter 190 dealer, which holds a license issued by the Motor Vehicle Commission; or

5."; and

On page 18, line 11, by placing brackets around and striking through "Had".

Floor Amendment No. 3 to the Committee Substitute to **HB 481**, by Representative Vincent:

On page 67, after line 16, by adding:

"Section 62. KRS 304.12-230 is amended to read as follows:

It is an unfair claims settlement practice for any person to commit or perform any of the following acts or omissions:

(1) Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;

(2) Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;

(3) Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;

(4) Refusing to pay claims without conducting a reasonable investigation based upon all available information;

(5) Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;

(6) Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;

(7) Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds;

(8) Attempting to settle a claim for less than the amount to which a reasonable man would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;

(9) Attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of the insured;

(10) Making claims payments to insureds or beneficiaries not accompanied by statement setting forth the coverage under which the payments are being made;

(11) Making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

(12) Delaying the investigation or payment of claims by requiring an insured, claimant, or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information;

(13) Failing to promptly settle claims, where liability has become reasonably clear, under one (1) portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(14) Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement; ~~[or]~~

(15) Failing to comply with the decision of an independent review entity to provide coverage for a covered person as a result of an external review in accordance with KRS 304.17A-621, 304.17A-623, and 304.17A-625*; or*

(16) Utilizing computer programs in the claims adjustment process to determine the value of an insured's claim if the program is not specific to Kentucky claims and is used without reliance on the specific nature and circumstances of the insured's claim."; and

On page 67, line 17, by deleting "62" and inserting in lieu thereof "63".

Floor Amendment No. 4 to the Committee Substitute to **HB 481**, by Representative Vincent:

On page 67, after line 16, by adding:

"Section 62. KRS 304.39-250 is amended to read as follows:

(1) Except as otherwise provided in this subtitle, basic reparation benefits shall be paid without deduction or set-off.

(2) There shall be no set-off by reason of payment of third parties for medical expenses properly payable under this chapter."; and

On page 67, line 17, by deleting "62" and inserting in lieu thereof "63".

Floor Amendment No. 1 to the Committee Substitute to **HB 540**, by Representative Feeley:

On page 4, line 6, after "***board***" by inserting "***which shall include at least one (1) of the ad hoc public members***".

Floor Amendment No. 2 to the Committee Substitute to **HB 540**, by Representative Feeley:

On page 12, line 2 after "***application***" by deleting "***.***" and inserting a "***,***" in lieu thereof and by deleting "***In addition, the board may convene one or***"; and

On page 12, line 3 by deleting "***more public meetings***"; and

On page 12, line 3, after "***or***" by inserting "***if more than one county is involved then in the county larger by population of the affected***".

Floor Amendment No. 1 to **HB 677**, by Representative Feeley:

On page 5, line 21, after "***of***" by deleting "***forty-four cents ($0.44)***" and inserting in lieu thereof "***nine cents ($0.09)***";

On page 10, lines 4 and 5, after "***fund***" by deleting "***, not to exceed eighty-eight million dollars ($88,000,000) per fiscal year,***";

On page 10, lines 8 and 9, after "***fund***" by deleting "***, not to exceed seventy million dollars ($70,000,000) per fiscal year,***";

On page 10, lines 13 and 14, after "***(11%)***" by deleting "***, not to exceed twenty-two million dollars ($22,000,000) per fiscal year,***"; and

On page 10 line 16, after "***(5%)***" by deleting "***, not to exceed five million dollars ($5,000,000) per fiscal year,***".

Floor Amendment No. 19 to the Committee Substitute to **HB 369**, by Representative Coleman:

On page 8, line 14, by inserting the following after "***II***": "***, and shall be limited to a thirty (30) day supply for a controlled substance classified in Schedule III, IV, or V***";

On page 8, by inserting the following between lines 13 and 14:

"***(d) Any controlled substance dispensed by the mail order option shall be sent by certified mail, with a return receipt requested and the signature of the person accepting the prescription.***

(e) All prescription drugs dispensed to a resident of the Commonwealth under a program authorized by this section shall be dispensed by a pharmacist holding a valid license issued by the Kentucky Board of Pharmacy pursuant to KRS Chapter 315.";

On page 8, line 14, by deleting "***(d)***" and inserting "***(f)***" in lieu thereof; and

On page 8, line 22, by deleting "***(e)***" and inserting "***(g)***" in lieu thereof.

Floor Amendment No. 1 to the Committee Substitute to **HB 166**, by Representative Riner:

On page 2, line 3, after the word "***counties***" insert: "***or legislative districts of the House of Representatives within cities of the first or second class***"; and delete "***countywide***" and

On page 3, line 25, after the word "***Kentucky***" insert: "***or a legislative district of the House of Representatives within a city of the first or second class***"; and delete "***countywide***";

On page 5, line 21, after the word "***Kentucky***" insert: "***or a legislative district of the House of Representatives within a city of the first or second class***", and delete "***countywide***";

On page 7, line 21, after the word "***Kentucky***" insert: "***or legislative districts of the House of Representatives within cities of the first or second class***", and delete "***countywide***".

Motions, Petitions, and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 260, Representative Riggs

HB 319, Representative McKee

HB 354, Representatives Nelson and Weaver

HB 385, Representative Reinhardt

HB 457, Representative Sims

HB 516, Representative Nelson

HB 531, Representative Sims

HB 677, Representative Meeks

HCR 109, Representative Hoffman.

Announcements

The following meetings were announced:

Appropriations and Revenue: Tuesday, February 19, 2002, 10:00 a.m.

State Government: Tuesday, February 19, 2002, noon

Adjournment

Representative Barrows moved that when the House adjourns, it does so by voice vote. Agreed.

Representative Barrows moved that the House adjourn until 4:00 p.m., on Monday, February 19, 2002.

The motion that the House adjourn until 4:00 p.m., Monday, February 19, 2002, was adopted by voice vote.